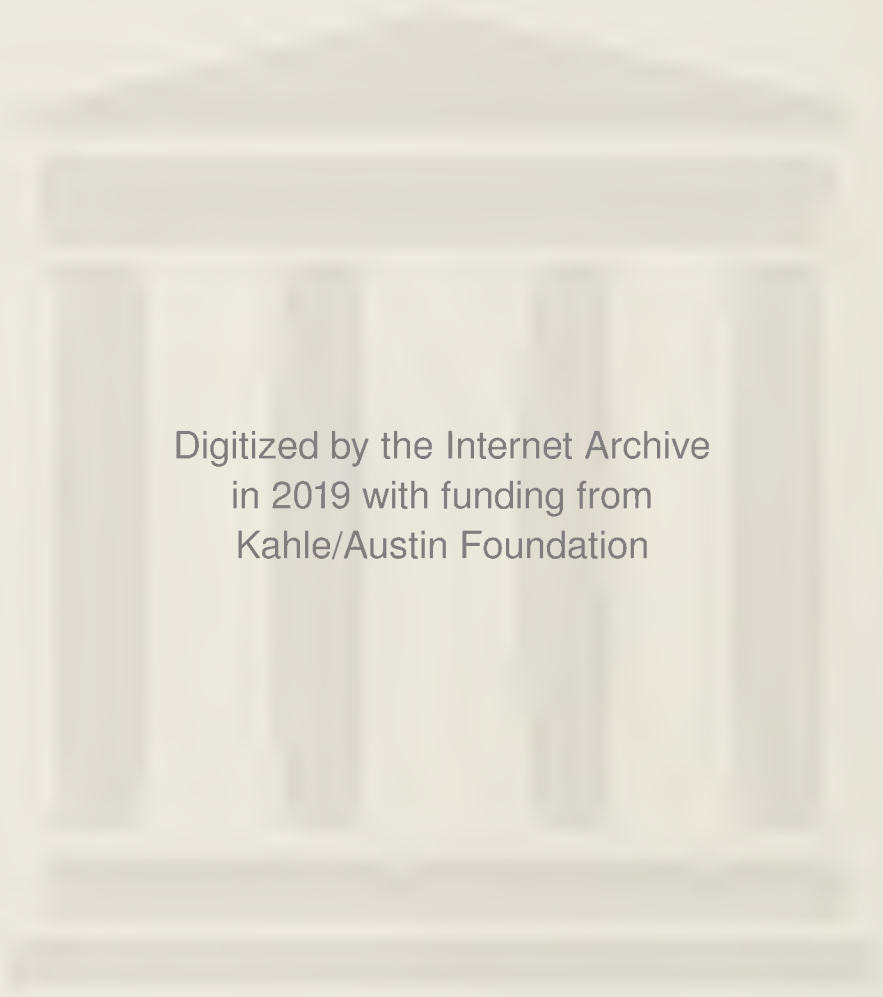


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Volume VI

Asia and
the Pacific

(in two parts)

Part 2



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LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE.—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

- AAA**, anti-aircraft artillery
ACJ, Allied Council for Japan
AFC, Air Force Cross (British)
AFL, American Federation of Labor
AFP, Armed Forces of the Philippines
AFPFL, Anti-Fascist People's Freedom League
AMC, Additional Measures Committee of the United Nations
ANETA, *Algemeen Nieuws en Telegraaf Agentschap*, a semi-official Dutch News Agency
Anzac, Australia-New Zealand
AP, Associated Press
AR, Office of Regional American Affairs, Department of State
ARA, Bureau of Inter-American Affairs, Department of State
AS, Associated States
ASW, anti-submarine warfare
AW, automatic weapons
BCP, Burmese Communist Party
BCT, battalion combat team
BFO, *Bijeenkomst voor Federaal Overleg* (Federal Consultative Assembly)
BIS, Bank for International Settlements
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
BOT, Board of Trade (British)
BPM, *De Bataafsche N.V. Petroleum Maatschappij*, a joint Dutch-British oil consortium in which participation was 60-40
Brit Emb, British Embassy
BST, bilateral security treaty (United States-Japan)
BWPP, Burmese Workers' and Peasants' Party
CA, Constituent Assembly
CA, Office of Chinese Affairs, Department of State
Caltex, California Texas Oil Company, Limited
CB, Companion of the Bath (British)
CBE, Commander, Order of the British Empire
CFM, Council of Foreign Ministers
CIA, Central Intelligence Agency
C-in-C, Commander in Chief
CINCFE, Commander in Chief, Far East
CINCPAC, Commander in Chief, Pacific
CINCPacFlt, Commander in Chief, Pacific Fleet
CINCUNC, Commander in Chief, United Nations Command
CIO, Congress of Industrial Organizations
Cominform, Communist Information Bureau
Commcen, communications center
ComNavFE, Commander, United States Naval Forces in the Far East
Contel, Consulate telegram
Cosan, series indicator for telegrams from the United States Delegation at the Japanese Peace Conference in San Francisco to the Department of State
CP, Communist Party
CPB, Communist Party of Burma
CPG, Central People's Government (People's Republic of China)
CPIC, Communist Party of Indochina
CPP, Philippine Communist Party
CRO, Commonwealth Relations Office (British)
CSUSA, Chief of Staff, United States Army

- DA**, Department of the Army
Delga, series indicator for telegrams from the United States Delegation at the United Nations General Assembly
Depcirgram, Department of State circular airgram
Depcirtel, Department of State circular telegram
Deptel, Department of State telegram
DFC, Distinguished Flying Cross
DI, *Darul Islam*, the Islamic State
DMPA, Defense Materials Procurement Agency
DNG, Dutch New Guinea
D.O., Defense Order
DSO, Companion of the Distinguished Service Order (British)
E, Assistant Secretary of State for Economic Affairs
ECA, Economic Cooperation Administration
ECA/W, headquarters of the Economic Cooperation Administration in Washington
ECAFE, Economic Commission for Asia and the Far East
Ecato, series indicator for telegrams from the Economic Cooperation Administration in Washington to its missions abroad
ECOSOC, Economic and Social Council of the United Nations
EDF, European Defense Force
Embdes, Embassy despatch
Emboff, Embassy officer
Embtel, Embassy telegram
ER, Economic Resources and Security Staff, Department of State
ERP, European Recovery Program
ESS, Economic and Scientific Section, Office of the Supreme Commander for the Allied Powers in Japan
ETA, estimated time of arrival
EUR, Bureau of European Affairs, Department of State
Exec Dir, Executive Director
Eximbank, Export-Import Bank of Washington
FAO, Food and Agriculture Organization
FBIS, Foreign Broadcast Information Service
FE, Bureau of Far Eastern Affairs, Department of State
FEC, Far Eastern Commission
FECOM, Far East Command
FinMin, Finance Minister
FonMin, Foreign Minister
FonOff, Foreign Office
FonSecy, Foreign Secretary
FRC, Federal Records Center
FY, fiscal year
FYI, for your information
G, Deputy Under Secretary of State
GA, General Assembly of the United Nations
Gadel, series indicator for telegrams to the United States Delegation at the United Nations General Assembly
GARIOA, Government and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GHQ, General Headquarters
Gimo, Generalissimo Chiang Kai-shek
GOA, Government of Afghanistan
GOB, Government of Burma
GOC, Committee of Good Offices for Indonesia of the United Nations Security Council
GOC, Government of Ceylon
Gocus, series indicator for telegrams from the United States Delegation on the Committee of Good Offices for Indonesia of the United Nations Security Council
GOI, Government of India
GOP, Government of Pakistan
GRS, Government rubber, synthetic
GSA, General Services Administration
GSC, General Staff Corps, United States Army
HC, High Commissioner
HICOM, High Commission(er) for Germany
HMB, *Hukbong Mapagpalaya ng Bayan* (People's Liberation Army), a military force affiliated with the Philippine Communist Party
HMG, His Majesty's Government
Huk, see HMB
IARA, Inter-Allied Reparation Agency
IBRD, International Bank for Reconstruction and Development
IC, Indochina

- ICAO**, International Civil Aviation Organization
ICFTU, International Confederation of Free Trade Unions
ICJ, International Court of Justice
ICRC, International Committee of the Red Cross
ILO, International Labor Organization
IMF, International Monetary Fund
Indo, Indonesia; Indonesian
INR, Bureau of Intelligence and Research, Department of State
intel, circular information telegram
IRAA, Imperial Rule Assistance Association (*Taisei Yokusan Kei*), a Japanese organization banned under the purge
IRAPS, Imperial Rule Assistance Political Society (*Taisei Seiji Kai*), a Japanese organization banned under the purge
ISAC, International Security Affairs Committee
JCRR, Joint (United States-Chinese) Commission on Rural Rehabilitation (Taiwan)
JCS, Joint Chiefs of Staff
JGOA, Japanese Government Overseas Agency
JUSMAG, Joint United States Military Advisory Group
KBE, Knight Commander, Order of the British Empire
KCB, Knight Commander of the Bath (British)
KL, *Koninklijke Leger* (Royal Netherlands Army)
KMT, Kuomintang (Nationalist Party), Republic of China
KNIL, *Koninklijke Nederlandsche Indische Leger* (Royal Netherlands Indonesian Army)
L, Office of the Legal Adviser, Department of State
L/FE, Assistant Legal Adviser for Far Eastern Affairs, Department of State
Legtel, Legation telegram
Lon, London
Lontel, London telegram
LSSL, landing ship support, large
LST, landing ship, tank
LVF, *Lien Viet Front* (League for the National Union of Vietnam)
M/C, memorandum of conversation
MAAG, Military Assistance Advisory Group
MASJUMI, *Madjelis Sjuro Muslimin Indonesia* (Council of the Indonesian Moslem Association)
MATS, Military Air Transport Service
MC, Military Cross (British)
MDA, Mutual Defense Assistance
MDAA, Mutual Defense Assistance Act
MDAP, Mutual Defense Assistance Program
MEA, Ministry of External Affairs
MFN, most favored nation
MilAtt, Military Attaché
Milob, military observer
MinFin, Minister of Finance
Misun, series indicator for messages to the United States Mission at the United Nations
MKA, Morrison-Knudsen Afghanistan, Inc.
MSA, Mutual Security Act (Agency)
MSP, Mutual Security Program
NA, Office of Northeast Asian Affairs, Department of State
NAC, National Advisory Council on International Monetary and Financial Problems
NAT, North Atlantic Treaty
NATO, North Atlantic Treaty Organization
NDC, National Development Council, an agency of the Philippine Government
NEA, Bureau of Near Eastern, South Asian, and African Affairs, Department of State
NEI, Netherlands East Indies
niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night
NIE, National Intelligence Estimate
NNG, Netherlands New Guinea
NPR, National Police Reserve (Japan)
NPRJ, Japanese National Police Reserve
NSC, National Security Council
OAS, Organization of American States

- ODM**, Office of Defense Mobilization
OEEC, Office for European Economic Cooperation
OFD, Office of Financial and Development Policy, Department of State
OIC, officer in charge
OSA, Office of South American Affairs, Department of State
OSD, Office of the Secretary of Defense
OSI, Office of Special Investigation (Air Force)
OSR, Office of the United States Special Representative in Europe under the Foreign Assistance Act of 1948
PAF, Philippine Armed Forces
Pak, Pakistan
PARINDRA, *Partai Indonesia Raya* (Greater Indonesian Party)
PARKINDO, *Partai Kristen Indonesia* (Indonesian Christian Party)
PBY, Naval patrol bomber
PHILCUSA, Philippine Council for United States Aid
PI, Philippine Islands
PIR, *Partai Peratuan Indonesia Raya* (Greater Indonesian Union Party)
PKI, *Partai Komunis Indonesia* (Indonesian Communist Party)
PlebAd, Plebiscite Administrator
PM, Prime Minister
PNI, *Partai Nasional Indonesia* (Indonesian Nationalist Party)
POC, Peace Observation Commission
PolAd, Political Adviser
PPN, *Pusat Perkebunan Negara* (Government Plantation Enterprises)
PRC, People's Republic of China
PriMin, Prime Minister
PRL, parliamentary
PSA, Office of Philippine and Southeast Asian Affairs, Department of State
PSI, *Partai Sosialis Indonesia* (Socialist Party of Indonesia)
PX, post exchange
reftel, reference telegram
Repsec, series indicator for telegrams to the Secretary of State from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
reurtel, regarding your telegram
RFC, Reconstruction Finance Corporation
RFC, Rehabilitation Finance Corporation, an agency of the Philippine Government
ROTC, Reserve Officers Training Corps
RSC, Rubber Study Group
RTC, Round Table Conference
S, Office of the Secretary of State
S/ISA, International Security Affairs, Department of State
S/S, Executive Secretariat, Department of State
S/S-PR, Protocol Staff, Executive Secretariat, Department of State
S/S-R, Policy Reports Staff, Executive Secretariat, Department of State
S/S-S, Committee Secretariat Staff, Executive Secretariat, Department of State
Sanco, series indicator for telegrams from the Department of State to the United States Delegation at the Japanese Peace Conference in San Francisco
SC, Security Council of the United Nations
SCAP, Supreme Commander for the Allied Powers in Japan
SE, Special Estimate
SEA, Southeast Asia
SEAC, Southeast Asia Aid Policy Committee
Secto, series indicator for telegrams to the Department of State from the Secretary of State or his Delegation in connection with conferences of Foreign Ministers
Secy Gen UN, Secretary-General of the United Nations
SOA, Office of South Asian Affairs, Department of State
SOBSI, *Sentral Organisasi Buruh Seluruh Indonesia* (Central Organization of All Indonesian Labor)
Socony, Standard Oil Company of New York
SP, submarine patrol
Stanvac, Standard-Vacuum Oil Company

- STEM**, United States Special Technical and Economic Mission
- SYG**, Secretary-General
- TCA**, Technical Cooperation Administration, Department of State
- TCT**, Truman-Churchill talks
- TEF**, Thai Expeditionary Force
- Telac**, series indicator for telegrams to Secretary of State Acheson while away from Washington
- TG**, Government of Thailand
- T.H.**, Territory of Hawaii
- TIAS**, Treaties and Other International Acts Series
- Toeca**, series indicator for telegrams to the Economic Cooperation Administration in Washington from its missions abroad
- Toisa**, designation for telegrams dealing with matters within the responsibility of the Director, International Security Affairs, Department of State
- Topad**, designation for telegraphic correspondence in either direction between the United States Political Adviser to SCAP and the Department of State
- TopSec**, Top Secret
- Torep**, series indicator for messages from the Economic Cooperation Administration headquarters in Washington to the United States Special Representative in Europe under the Foreign Assistance Act of 1948
- U**, Under Secretary of State
- UKHC**, United Kingdom High Commissioner
- UN**, United Nations
- UNA**, Bureau of United Nations Affairs, Department of State
- UNCI**, United Nations Commission for Indonesia
- UNCIP**, United Nations Commission for India and Pakistan
- UNESCO**, United Nations Educational, Scientific and Cultural Organization
- UNICEF**, United Nations International Children's Emergency Fund
- Unmis**, series indicator for messages from the United States Mission at the United Nations
- UNMOK**, United Nations Military Observer in Kashmir
- UNP**, Office of United Nations Political and Security Affairs, Department of State
- UNSYG**, Secretary-General of the United Nations
- UNTA**, United Nations Technical Assistance
- urmsg**, your message
- urtel**, your telegram
- USA**, United States Army
- USAF**, United States Air Force
- USAR**, United States Army Reserve
- USARPAC**, United States Army, Pacific Command
- USDel**, United States Delegation
- USDelGA**, United States Delegation at the United Nations General Assembly
- USGOC**, United States Delegation on the Committee of Good Offices for Indonesia of the United Nations Security Council; also *Usgoc*, series indicator for telegrams to the Delegation
- USIE**, United States Information and Educational Exchange Program
- USIS**, United States Information Service
- USMC**, United States Marine Corps
- USN**, United States Navy
- USPolAd**, United States Political Adviser
- UST**, *United States Treaties and Other International Agreements*
- USUN**, United States Mission at the United Nations
- VM**, *Viet Minh*
- VNQDD**, *Viet Nam Quoc Dan Dang* (Vietnam Nationalist Party)
- VOA**, Voice of America
- WAR**, series indicator for telegrams sent overseas by the Department of the Army or by Army Headquarters, Washington
- War Off**, War Office
- WE**, Office of Western European Affairs, Department of State

WFM, Washington Foreign Ministers
meeting
WFTU, World Federation of Trade
Unions

WHO, World Health Organization
WPC, World Peace Conference
WPV, Workers Party of Vietnam
ZI, Zone of the Interior

NEW ZEALAND

UNITED STATES POLICY TOWARD NEW ZEALAND¹

611.44/7-3051

Department of State Policy Statement for New Zealand

SECRET

[WASHINGTON,] July 30, 1951.

NEW ZEALAND

A. OBJECTIVES

The fundamental objectives of United States policy toward New Zealand are:

1. To maintain and strengthen the close ties of friendship which exist between New Zealand and the United States;

2. To encourage New Zealand, as an independent member of the British Commonwealth of Nations, to collaborate closely with the United States on matters of common concern, particularly in the Pacific;

3. To strengthen New Zealand, in association with Australia, as a friendly military power in the Southwest Pacific;

4. To encourage the economic development of New Zealand and the growth of her foreign trade in accordance with the principles of GATT.²

B. POLICIES

In the consideration of US policies with respect to New Zealand some general discussion regarding basic New Zealand foreign policy attitudes and internal political problems may be helpful. New Zea-

¹ For additional documentation regarding the relations of the United States and New Zealand, including the visit to Washington of Prime Minister Sidney G. Holland in February 1951, see pp. 105 ff. See also the editorial note, p. 880.

² In despatch 161, from Wellington, September 20, the Embassy in New Zealand stated in part:

"It is suggested that this additional 'Objective' be added: 'To encourage New Zealand to collaborate with the United States on questions arising in the United Nations or its Specialized Agencies.' Work along such lines is one of the major activities of this Embassy.

"The fourth 'objective' might be appropriately omitted if, at the time of revision of the Statement, the United States is placing restrictions on the importation of New Zealand products, as it may be presently about to do under the Defense Production Act." (611.44/9-2051)

For text of the General Agreement on Tariffs and Trade, with annexes and schedules, and protocol of provisional application, see Department of State Treaties and Other International Acts Series (TIAS) No. 1700, or 61 Stat. pts. 5 & 6.

land is the most loyal of all the Dominions in its relations with the United Kingdom, which is its principal market and supplier of manufactured goods. The impact of the war on New Zealand thinking, while not diminishing the loyalty of New Zealand to the mother country, nevertheless has brought an awareness of the strategic dependence of New Zealand upon the United States for defense in the Pacific and of the importance of maintaining close and friendly relations with the United States. Increasing Communist pressures in Asia, and particularly the attack on South Korea, have resulted in a more general awareness in New Zealand of the nature of the Soviet threat.

The foreign policy of New Zealand is directed in the first instance toward the maintenance of peace and security in the area in which New Zealand is located. The most important guiding principle, however, in New Zealand's international relations is the maintenance and strengthening of Commonwealth ties. Because most New Zealanders still think in terms of the "Empire" their loyalty to the Commonwealth means loyalty primarily to the United Kingdom. Although the Labor Government tended to give priority to United Nations obligations, there is surprisingly great unanimity in foreign policy, with the various differences being those of degree rather than of kind. Mr. Holland, the present Prime Minister, specifically stated on taking office that he would continue Mr. Fraser's ³ foreign policy.

After fourteen years of rule, the Labor Party was defeated by Mr. Holland's National Party in the December 1949 elections. The election displayed few real differences in party platforms and none in foreign affairs. Both parties were committed to the social legislation which had already been passed and which is by this time part of the fabric of New Zealand life. Labor relations constitute the major political problem in New Zealand, where the trade union movement is exceedingly strong and solidly entrenched. The National Government, however, is not politically dependent on trade union support, as was the Labor Government, and consequently has been able to take a somewhat stronger and more independent line in dealing with the the problem.

Both the Labor Party and the National Party are strongly anti-Communist and opposed to Communist influence in the Labor unions. No steps have been taken, however, to outlaw the Communist party or to deal with it by legislative action. It is small in numbers and has no parliamentary representation. Its principal strength comes from the fact that it controls key positions in several labor unions and thus exercises an influence out of proportion to its numerical strength. During early 1951 a strike of the Communist-led Waterside Workers

³ Former Prime Minister Peter Fraser.

tied up New Zealand ports. The Government reacted to this politically-inspired strike by de-registering the union and working ships with the armed forces.⁴ It is by action of this character that the Government apparently will endeavor to reduce the influence of Communist leaders in the trade unions rather than by such legislative action as that taken by the Australian government. Apart from its strength in the trade unions, the Communist party draws some indirect support for party propaganda lines from left-wing intellectuals who, without being sympathetic to Communism or the U.S.S.R., are critical of American Far Eastern policies and particularly of those relating to Communist China.

The main plank in the platform of the National Party in the 1949 election was the promise to "make the pound go further." There is a realization that the pressure of outside events makes fulfillment of this promise presently impossible. Despite this fact there appears to be a general belief that the general election in September of this year will return the present government to office.

New Zealand has played a role out of proportion to its size in international organizations and conferences. It is generally respected for its record of strong support for democratic ideals and insistence on principle rather than expediency as a guide in determining its position on questions arising in the United Nations.

Almost immediately upon the invasion of South Korea, New Zealand prepared to fulfill its obligations to the United Nations. Several frigates of the Royal New Zealand Navy were placed at the disposal of the United Nations force. A volunteer artillery regiment was recruited, trained and sent to Korea. Two contingents of replacements have already been added to the initial contribution. However, in response to a request made in February 1951 that the Korean ground force contribution be doubled, the New Zealand Government replied that that large an additional contingent could be formed only by including instructor personnel needed to build up forces required to meet its Commonwealth commitments in the Middle East. The additional contribution, therefore, could only approximate fifty per cent of the forces already in Korea. In the nonmilitary field, however, New Zealand relief agencies have contributed substantially to alleviate the suffering of the civilian population.

⁴ In despatch 161 the Embassy stated:

"It is suggested that the duration of the 1951 waterfront strike, about five months, be stated, and also that mention be made of the fact that many other unions, such as those of the seamen, freezing workers and miners, struck in sympathy with the watersiders. It was this solidarity among the militant unions which turned the port strike into a national industrial crisis.

"It is also suggested that the term 'politically-inspired' as applied to the strike be omitted. As the phrase stands now the implication is that the inspiration of the strike was solely political, which is not true. There were economic factors as well, and a good measure of plain, unvarnished greed." (611.44/9-2051)

The New Zealand UN delegation has always maintained close relations with the US delegation and has been cooperative with it. The New Zealand delegation, it should be noted, is influenced to a considerable degree on controversial issues by the position of the United Kingdom delegation. New Zealand has taken an active interest in trusteeship matters and has been one of the most liberal of the administering authorities on the Trusteeship Council, its position closely paralleling that of the United States. New Zealand was most cooperative with regard to the special mission of the Trusteeship Council to Western Samoa in response to a petition for self-government addressed to the Council by the Samoans. The recommendations of the Mission were accepted by New Zealand and in large part incorporated in legislation passed by Parliament.

We have found the New Zealand delegation to be most helpful and cooperative in the ECOSOC and in the Specialized Agencies. In UNESCO the New Zealand delegation has played an outstanding role. Outside the United Nations New Zealand has taken an active and constructive interest in the South Pacific Commission.

With reference to our policies toward Japan, New Zealand has shared with Australia dissatisfaction with relations between the Far Eastern Commission and SCAP and was critical of many of General MacArthur's decisions. At the same time there are important differences in the attitudes of the two Dominions toward the problem of Japan. New Zealand as a predominantly agricultural country is not opposed to a revival of Japan's industrial economy as such but insists on adequate security safeguards. New Zealand's unfavorable reaction to our proposals concerning Japanese participation in international relations in advance of a peace treaty was prompted by the belief that a treaty containing security safeguards should precede Japanese participation in international relations of a political character.

In obtaining New Zealand support for the type of Japanese peace treaty which we now consider necessary for practical reasons and in view of the present world situation, it was essential that we give proper consideration to the very real fears in New Zealand of a resurgent Japan. It became apparent that such support would be dependent upon the United States providing New Zealand with some formal security guaranty. In view of that fact Mr. Dulles visited Australia and New Zealand in early 1951 to discuss the treaty and the possibility of concluding a Pacific security arrangement.⁵ The announcement by the President on April 18, 1951 that we were proceeding with negotiations with Australia and New Zealand for such an arrangement was well received in New Zealand. When the draft Tripartite Security

⁵ For documentation regarding these negotiations, see pp. 132 ff, and pp. 777 ff.

Treaty was published on July 12, 1951 there was a further favorable reaction in New Zealand.⁶ The link between this project and the Japanese Peace Treaty in the minds of the New Zealand public was evidenced by the generally favorable reception accorded the Japanese Peace Treaty when its terms were announced on July 11.

New Zealand has taken certain measures to increase its own contribution to the security of the free world. A National Service Law was enacted late in 1949, and the first trainees went into camps in the latter part of 1950. The need for military personnel to work the docks during the prolonged Waterside Workers strike brought the program to a temporary standstill, but trainees will soon again be entering the camps. The aim is to prepare a trained reserve of men capable of being mobilized into an augmented division to be sent to the Middle East within seventy days of the outbreak of general hostilities in accord with Commonwealth defense plans. However, despite the Government's willingness to prepare, shortages of material and trained manpower limit the probability of completing the minimum program within the expected period short of the pressures of war itself. Although New Zealand has been found eligible for procurement assistance under the Mutual Defense Assistance Act ⁷ and will be able to purchase equipment in the United States after submitting the required assurances, most of New Zealand's needs must be met by the UK to conform with existing standardization procedures. New Zealand attempts to meet the shortage of trained military technicians by "borrowing" from the UK, but great difficulty has been encountered in building up an adequate pool of New Zealanders in time of peace to meet these needs.

There are seven Pacific Islands now administered by New Zealand to which the United States has historic claims that have not been renounced: Atafu, Nakunono and Fakaofu, in the Tokelau or Union group; and in the Cook group, Penryhn, Manahiki, Danger (Pakapuka) and Rakahanga. Although the United States' claims to these

⁶ In despatch 161 the Embassy stated:

"It is suggested that a few sentences along the following lines be added to the discussion of the New Zealand reaction to the Tripartite Security Treaty: 'Nevertheless, New Zealand officials are concerned with the ability of the country to meet its obligations under the Security Treaty in the eyes of the United States. In the event of a world conflict New Zealand has undertaken to commit all of its available ground forces to Commonwealth defense in the Middle East, and would have no forces which could be deployed in the Pacific area. New Zealand hopes that the United States will construe its contribution to global defense in the Middle Eastern sector as fulfilling its obligations under the Security Treaty.'" (611.44/9-2051)

⁷ On June 8, or shortly thereafter. (Memorandum (with attachments) by Thomas D. Cabot, Director of International Security Affairs, June 8, not printed; 744.5-MAP/6-851.)

For text of the Mutual Defense Assistance Act approved October 6, 1949, see 63 Stat. 714.

islands were stated in a note to the British Embassy on August 16, 1939,⁸ we have not raised the question directly with the New Zealand Government. We should, however, avoid actions which might weaken the claims to sovereignty which we asserted in our note to the British Embassy.

New Zealand claims a large section of Antarctica known as the Ross Sea Dependency, and was authorized by a British Order in Council of July 30, 1923, to administer the area, particularly for the regulation of whaling. Although New Zealand's Antarctic activities are nominal it is interested in the area for strategic projects as weather forecasting and the study of cosmic rays. New Zealand indicated in reply to our proposals in 1949 on internationalization of the Antarctic that it might favor international administration in close relation with the United Nations.

New Zealand's external trade and financial policies are largely determined by three factors: (1) its membership in, and loyal cooperation with, the sterling area; (2) its traditional trade pattern, involving a surplus with the United Kingdom and a deficit with the United States; and (3) its semi-socialistic economic philosophy.

This combination of factors explains New Zealand's discriminatory restrictions on dollar area imports, its willingness to accumulate sterling, and its tendency to favor state-trading practices and long-term bulk sales contracts. The New Zealand and United Kingdom economies are complementary and mutually dependent. New Zealand voluntarily channels its exportable surplus of meat and 90 per cent of its dairy products to the United Kingdom, accepting considerably less than world prices, and in return fills the greater part of its needs for manufactured goods in the United Kingdom at relatively high prices. Generally speaking, New Zealand's present foreign economic policies are at variance with the principles of multilateral trade and exchange which the United States is endeavoring to promote. We have acquiesced in these policies since the end of the war, even though they have involved discrimination against the United States, because of the acute imbalance which prevailed until recently in the trade between the sterling and dollar areas. With the great improvement that has occurred in New Zealand's dollar position since devaluation, and especially since the outbreak of the war in Korea, there now exists much less justification for New Zealand's restrictive and discriminatory policies. If New Zealand's dollar position continues good, or improves further, we should use every appropriate occasion to attempt to obtain a progressive relaxation of discrimination against United States exports.

⁸ For text, see *Foreign Relations*, 1939, vol. II, pp. 317-318.

Although New Zealand by an act of Parliament has adhered to the provisional protocol of GATT and by an Order in Council has made effective, as of July 26, 1948, the tariff rates and provisions of the Agreement, it has not shown the same interest in joining the IMF or the IBRD. The failure of New Zealand to sign a special exchange agreement with the Contracting Parties to the GATT, in lieu of membership in the IMF, has been an issue at two GATT sessions. The United States is not in sympathy with New Zealand's position, alone among GATT members, of insisting on independence in the exchange field while enjoying the advantages of GATT membership. The United States should continue to encourage New Zealand to take steps to join the IMF and IBRD, although there are no indications of willingness on the part of New Zealand to reconsider its position on membership in these organizations.⁹

The present New Zealand Government has manifested in many ways its pre-election program of freeing the economy of as many controls as possible, encouraging private enterprise and striving to place State commercial enterprises on a paying basis. Price rises of imported and domestic goods, however, necessitated a revision of its policy of reducing or removing subsidies. Subsidies remain on wheat, flour, milk,

⁹ In despatch 161 the Embassy stated:

"It is true that the natural interdependence of the United Kingdom and New Zealand has set the traditional trade pattern and it is also true that New Zealand's policy has tended to favor United Kingdom manufacturers. But the Embassy doubts that there is a conscious policy of discrimination against American goods at the present time. It has only been within the past year or so that New Zealand has had a favorable balance of trade with the United States. Considerable caution therefore was necessary in the programming of dollar imports. New Zealand is a member of the sterling area dollar pool as a matter of convenience as much as sentiment. Until lately, New Zealand drawing from the dollar pool to meet her dollar deficits has exceeded her contributions to it. The Government is not sure enough yet of the future of its dollar exports to be sure that New Zealand may not have to draw on the pool again. Another thing is apparent. The Government is increasing its licenses for dollar imports as the country's dollar balances improve. There is still caution but the Embassy believes that New Zealand is not unwilling to trade with the United States when she has the where-withall to do so. All this combined with a growing sentiment in the country that New Zealand is selling cheap to United Kingdom and buying dear may alter some of the traditional attitudes toward overseas trade. When exports to the United States form a dependable pattern, New Zealand's attitude toward GATT and membership in IMF and IBRD may soften up a little of their own accord.

"Another favorable factor in the present situation is that the business community generally favors closer trade relations with the United States. This group supports the National Party and its influence with the Government may be reflected to a greater degree from now on. While the United States may properly endeavor to obtain a fair share of the New Zealand market, it should not resort to aggressive action to do so. The circumstances of events foreshadow a better day anyhow, and no action should be taken which would offend the deep loyalty which New Zealand feels toward the United Kingdom. It should be noted as well that the New Zealand Communist Party assiduously plugs the line that the sole reason for United States objections to Imperial preference is to bring about the economic collapse and consequent enslavement of the United Kingdom by driving British goods from the Commonwealth markets." (611.44/9-2051)

butter and eggs, the carriage and importation of fertilizers and the transport of timber and overtime in the timber industry. In December, 1950 the subsidy on greasy wool was reintroduced, and one-third of the wool-growers' income was frozen with the general approval of those concerned. Certain commodities, including foodstuffs, clothing and raw materials remain subject to price controls and there are indications that the Government may be obliged to reimpose controls of items previously freed. While the Government has extended the list of goods exempt from import licensing control when imported from soft currency areas, the policy remains substantially unchanged regarding imports from hard currency countries.

Since August 1950, the United States has engaged in negotiations with New Zealand (and other important wool producers and consumers) to solve internationally the current world wool situation in which supply has fallen substantially behind the increased demand. Three international meetings have been held on this question over the last year, the first in London in September and October 1950, the second in Melbourne in November 1950, and the third in Washington as a part of the International Materials Conference since April 1951. The United States proposal for international wool allocations as a solution to the world wool shortage was resisted successfully by the Commonwealth wool producing countries at the London conference and a Commonwealth counter-proposal, a wool preemption system, was discussed inconclusively at the Melbourne conference. Another United States proposal for international wool allocations has been made at the International Materials Conference and is now being considered by producing and consuming countries.

In all three meetings New Zealand has followed the position of Australia, even going so far as to state on occasions that if Australia agreed to international wool allocations, New Zealand would also, and that the reverse would also be true.

Because of the importance which wool plays in the New Zealand economy, the wool problem takes on significant political aspects. Despite New Zealand's cooperation with the United States on most other important issues, the wool problem is one on which New Zealand has shown little cooperation over the last year.

The Government announced in July 1950 that it was offering the State-owned National Airways Corporation for sale, as it wished to withdraw from commercial air transport. Subsequently it was stated that the Government was prepared to accept alternative proposals on this sale, including joint ownership with the Government or sale of certain feeder services.

The United States and New Zealand have a bilateral air agreement ¹⁰ permitting a U.S. carrier to operate from the U.S. to Auckland. We are interested in altering the existing bilateral so as to permit the route of the U.S. carrier now terminating in Auckland to be extended to Sydney, Australia, with traffic and stopover rights. Negotiations carried on in Wellington in June 1951, indicated that the New Zealand Government was unwilling to allow more than transit rights. The fundamental principle in New Zealand's aviation policy is that experience during the last war proved that a reliable, New Zealand-controlled trans-Tasman carrier must be maintained for communication with Australia, that this is even more important than direct air service with the United States, and that traffic diverted to *any* outside carrier would make the maintenance of the national carrier much more difficult and costly. We have maintained that the requested alteration is similar to arrangements contained in many aviation agreements, that it would enable more economical operation at a time when the security interests of both countries depend in large measure on quick and reliable communications, that the diversion, subject to the protective provisions, would be less costly to the existing carrier than New Zealand anticipates, and that the New Zealand chosen carrier, BCPA, enjoys very similar rights with respect to the Honolulu-San Francisco-Vancouver run under the existing agreement.¹¹

We are interested in the economic development of New Zealand through such private capital sources as may be available and willing to invest in sound development projects and through such technical assistance as this Government can render under the Point IV program. We would also be prepared to support a New Zealand application for a loan for justifiable economic projects from the Export-Import Bank and, when New Zealand becomes a member, from the International Bank for Reconstruction and Development.

C. RELATIONS WITH OTHER STATES

New Zealand and Australia are bound by strong ties of friendship and mutual interests. Their common outlook on Pacific problems was

¹⁰ For text of the air transport agreement signed at Washington, December 3, 1946, see TIAS No. 1573 or 61 Stat. (pt. 2) 2453.

¹¹ In despatch 161 the Embassy commented:

"In the discussion of the disagreement concerning civil aviation rights it is believed that some mention should be made of the following point, which New Zealand officials stressed heavily during the discussion in June, 1951: if the United States carrier were granted traffic rights, the same rights would have to be granted to Canadian, Australian, Netherlands, French and other carriers which had also applied for those rights; and that even if it might be possible to devise protective provisions that would permit the New Zealand carrier to survive the competition of one foreign carrier, it would be out of the question to protect it against the competition of a number of foreign carriers." (611.44/9-2051)

formalized in the Australia–New Zealand Agreement of 1944, which provided for joint consultation on policy questions. Cooperation between the two countries is continuous, as demonstrated by joint naval maneuvers, trade discussion, and a comprehensive reciprocal agreement on social security. Both countries take an active part in the South Pacific Commission and FEC. Both recognize their strategic dependence on the United States as the dominant Pacific power and their economic dependence on the United Kingdom as the chief market for their agricultural produce and their chief source of manufactured goods. Both have been advocates of the Pacific defense arrangement.

Both Australia and New Zealand are faced with similar problems concerned with adjusting their policies to the rising nationalism of the East. Despite the fact that both restrict Oriental immigration, there is a distinct difference in attitude on the racial question in the two countries. New Zealand has a more liberal and enlightened attitude toward race relations, as exemplified by the manner in which the Maori minority is being handled, and it has not hesitated to voice criticism of South African racial policies.

In international affairs New Zealand often follows British or Australian leadership; but it should not be forgotten that New Zealand is an independent country which appreciates being approached directly and that it occasionally resents the aggressive assertion of leadership by Australia.¹²

New Zealand has favored a more centralized Commonwealth, particularly some means of promoting closer agreement within the Commonwealth on foreign affairs and defense. It did not welcome the formula by which India was permitted to remain within the Commonwealth although becoming a republic. New Zealand's attitude toward these matters has been largely conditioned by its traditional loyalty to the concepts of crown and empire. It is probable, however, that New Zealand now recognizes that because of the opposite views of other Commonwealth members a more centralized Commonwealth is impossible to achieve under present circumstances. New Zealand is a firm believer in the efficacy of the various Commonwealth meetings which have been held since the war as a means of achieving a greater measure of understanding between the members of the Commonwealth.

New Zealand and the USSR exchanged diplomatic representatives during World War II, but for some time the New Zealand diplomatic post at Moscow has been unfilled. The reason for this is both a desire

¹² In despatch 161 the Embassy stated with regard to this section:

"It is believed that mention should be made of New Zealand's most striking and far-reaching divergence from United Kingdom foreign policy: its failure to recognize the Chinese Communist regime." (611.44/9-2051)

on the part of the present Government to economize in its overseas representation and a recognition of the fact that New Zealand's relations with the USSR, outside of UN, are of so little importance. The only trade between the two countries of any consequence is in wool. During 1949 wool exports to the USSR amounted to only approximately 2 per cent of total New Zealand wool exports. During the first nine months of 1950 there were no direct wool exports from New Zealand to the USSR, but shipments were made to Czechoslovakia and Poland. In virtually all issues before the UN in which we have been at variance with the USSR, New Zealand has been a strong supporter of the US position.

D. POLICY EVALUATION

Our relations with New Zealand have always been most friendly and there has been very little discord in our relations, either political or economic. To the extent that we continue our present close cooperation with the United Kingdom we can be assured of a generally sympathetic attitude on the part of the New Zealand Government and public opinion. On the other hand New Zealand support for US policies, particularly in the Far East, can be of great value in obtaining support within the Commonwealth for our objectives and policies.

There continues to be some fear in New Zealand that in building up Japan we are paying insufficient attention to the security considerations which are paramount in New Zealand's attitude toward the reconstruction of Japan. These fears would be allayed in large measure by the proposed Pacific security arrangement. New Zealand support for the Japanese peace treaty we believe necessary in the light of present circumstances would also have some bearing on United Kingdom and Australian attitudes toward this question.

New Zealand and the United States share a common western European tradition, the heritage of the English common law and a like distaste for arbitrary power and violent change. The national interests of our two countries in safeguarding and preserving the principles of democratic government are fundamentally the same. This means that in any issue involving a matter of principle New Zealand's reactions are apt to parallel those of the US. New Zealand can be of assistance to us in UN affairs and in Far Eastern problems generally. Where we can anticipate the emergence of a major issue, or where we wish to obtain New Zealand's support for a project, greater use should be made of direct conversations here or in Wellington. The machinery for consultations which is provided in Pacific security arrangement should contribute to a greater measure of understanding and support for our policies.

Our information program faces a generally sympathetic public opinion in New Zealand and our approach should therefore be positive and open.¹³ The signing of the Fulbright Agreement with New Zealand on September 14, 1948, made available a fund totalling \$3,200,000 for educational exchanges. New Zealand is keenly interested in this program which offers an excellent long-term medium for furthering US-New Zealand understanding through the interchange of information and skills. Information activities and exchange of persons with New Zealand can make a useful contribution to our efforts to achieve an increasing measure of support for our policies and objectives as they relate specifically to New Zealand and in the larger context of our international relations.

¹³ In despatch 161 the Embassy stated :

"It is suggested that the first sentence of this paragraph be expanded into the following :

'Our information program faces a generally sympathetic public opinion in New Zealand, subject of course to the distractions provided by a body of commonly-held misconceptions of the American scene (arising chiefly from motion pictures and inadequate press reports) ; by the influences occasionally exerted outside of their own circles by Communist, left-wing intellectual and certain labor minorities; and by the more general concern regarding United States Far Eastern policies already mentioned. Information program approaches should be positive and open. Obvious attempts at propagandistic persuasion will be resented, and resisted. The New Zealand audience is highly sophisticated; name-calling techniques or graphic presentations which may appeal to somewhat primitive societies are apt to have a boomerang effect; on the other hand, it is receptive to factual evidence and logical reasoning.' " (611.44/9-2051)

Editorial Note

On December 18, 1951, in Washington, New Zealand and the United States exchanged ratifications of the bilateral Convention signed at Washington March 16, 1948, for the avoidance of double taxation and income tax evasion. The United States Senate had given its advice and consent to ratification on September 17, 1951, subject to a reservation, which New Zealand had accepted. Documentation regarding the reservation is in file 611.4492 for 1951. For text of the Convention, see Department of State *United States Treaties and Other International Agreements*, Volume 2 (pt. 2), page 2378.

PHILIPPINES

POLITICAL, ECONOMIC, AND MILITARY RELATIONS OF THE UNITED STATES AND THE PHILIPPINES ¹

796.5/1-551: Telegram

The Chargé² in the Philippines (Chapin) to the Secretary of State

SECRET

MANILA, January 5, 1951—9 a. m.

1880. January 4. Two officers Embassy morning January 4 discussed at length with General Hobbs³ current Philippine military reorganization (Deptels 1331 January 2 and 1348 January 4 Embtel 1864 January 3 and WAR 80017 to JUSMAG⁴).

General Hobbs expressed views paraphrased as follows:

Recent personnel changes⁵ indicate either that Romulo did not accurately convey, or that Quirino has not seen fit to act upon, US Secretary Defense advice⁶ that Philippine Government's pressing need is strong, competent, nonpolitical military leadership (this connection, see my reftel). President should have made clean sweep at top and reached well-down for new set military leaders, but JUSMAG's suggestion to that effect was not treated as being, for

¹ For previous documentation, see *Foreign Relations*, 1950, vol. vi, pp. 1399 ff. Regarding negotiations between the United States and the Philippines concerning the Japanese Peace Treaty, see pp. 777 ff. For documentation on events leading up to the United States-Philippine Mutual Defense Treaty, see pp. 132 ff.

² As 1951 began Ambassador Myron M. Cowen was in Washington.

³ Maj. Gen. Leland S. Hobbs, Chief Adviser of the Joint United States Military Advisory Group to the Republic of the Philippines.

⁴ None printed.

⁵ Within the previous week President Elpidio Quirino had relieved Maj. Gen. Mariano N. Castaneda from active duty as Chief of Staff of the Armed Forces of the Philippines (AFP), although the General retained his title, and had designated Brig. Gen. Calixto Duque as Acting Chief of Staff. On January 10 General Castaneda left the Philippines for Washington with Carlos P. Romulo, Philippine Secretary for Foreign Affairs, as a member of the Secretary's special mission to discuss increased arms aid for the Philippines. In despatch 1208 from Manila, February 19, the Embassy stated in part that it had been "reliably" reported that the General had been sent on the mission to facilitate his complete removal as head of the AFP. (796.5-MAP/2-1951) General Castaneda entered on terminal leave May 26.

President Quirino had also recently relieved Brig. Gen. Alberto Ramos from his post as Chief of the Philippine Constabulary and had appointed Col. Florencio Selga as Acting Chief. Colonel Selga was promoted to Brigadier General and made Chief of the Constabulary during the last week of May 1951.

On January 7 President Quirino appointed General Ramos to be Director of the National Bureau of Investigation (NBI). However, General Ramos began an extended leave of absence from this post on May 5.

⁶ See the memorandum of conversation dated January 22, p. 1504.

present at least, practicable of adoption. Castaneda, of whom JUSMAG is personally fond, had yielded to opportunities for personal enrichment and had turned deaf ear to JUSMAG's pleading that he cooperate with new Secretary Defense. Since the arrival in Philippines of present JUSMAG, Ramos—beyond protecting perpetrators of abuses and taking care of himself—has done nothing but draw his breath and his salary.

Vice Chief of Staff Duque promises that as Acting Chief of Staff he will uncover and correct abuses in armed forces; it is devoutly to be hoped he will actually do so. New post of Deputy Chief of Staff is very strategic one as there are to be placed directly under officer holding that post the general, special, administrative and technical staffs and services (his duties more truly comprise staff functions than do those of the Chief of Staff and Vice Chief of Staff, the new titles of the commanding general and deputy commanding general). Colonel Velasquez, a candidate for the post, is a West Post graduate and is regarded as an able officer, but it appears the President does not completely trust him.⁷ Colonel Selga, the new Philippine Constabulary commander, was reasonably competent as Commanding Officer of the Second Military Area; he is no stooge of Ramos, but people may be expected to question the extent of his authority since the President has seen fit to move Ramos into his own office as adviser on police affairs. The men being selected to head divisions G-1 through G-4 are young and perhaps as good as might have been picked—but only time will indicate whether they meet the test.

The assignment of Castaneda, a discredited general, to mission proceeding US must be considered in light Quirino's problem of removing him from local scene. While it is anything but clear-cut personnel action, it appears represent furthest step toward solution problem that Quirino is now willing to take. Magsaysay is earnest, hard-working and effective Secretary National Defense but can push Quirino only up to certain limit. Whether Magsaysay's opposition will break him, and whether Quirino will retire Castaneda before end 1951, remain be seen. As to his mission, Castaneda personally does not know facts which he needs have at his command for Washington mission and has not come to JUSMAG to get information which JUSMAG might be able give him. As matter fact, Philippine Government badly needs delivery military matériel now rather than in distant future when deliveries of items such as motor vehicles are scheduled. However, as Romulo was informed, Philippine Government should transmit specific requests through appropriate channels.

CHAPIN

⁷ Colonel Velasquez did not accept the post.

796.001/1-851 : Telegram

The Chargé in the Philippines (Chapin) to the Secretary of State

SECRET

MANILA, January 8, 1951—3 p. m.

1925. Embdesp 845, December 14.¹ General Hobbs January 4 expressed to Embassy officers his concern re current trial members Communist Politburo Secretariat who were captured during October 18 raids. Failure convict these men due possible negligence in "dotting the I's and crossing T's". He stated would have most lamentable effect on morale armed forces. He indicated hope Embassy would do anything possible see that Judicial Branch of Government put on its toes. From study captured Secretariat documents we have concluded that defendants include 3 of 9 members Politburo and that one of them, Jose Laca, is revolutionary of highest calibre. Besides concurring in JUSMAG's appraisal of effect on armed forces morale which would be brought about by defendants release we accordingly consider release would make positive contribution of importance to Communist capabilities. While Secretary National Defense quite reliably quoted as saying we should not worry as these men will not be alive year from now it seems to us important trial be as expertly handled as possible.

Therefore I January 8 called on Secretary Justice Bengzon in order express concern JUSMAG and interest Embassy. Bengzon expressed satisfaction with adequacy evidence in hands prosecuting attorneys and confidence in their ability handle case and in friendliness judge Oscar Castelo remarking he had been responsible for Castelo's recent appointment as permanent judge Manila Court of First Instance. He stated defense seems reconciled to convictions ground sedition and rebellion but trying hard prevent similar result with respect charges they are responsible for murder, arson. Hardest task prosecution he said will be prove identities Communist leaders on trial but NBI hopes accomplish this with aid American hand-writing expert. Bengzon confirmed statement Recto's son that defense attorneys were appointed by court and asserted they all serve without pay. He added that with his appointment as Ambassador Spain Recto² who is defending Jose Larva will turn case over one of his assistants named Barredo (an attorney in Recto's office named Antonio Barredo is on our list Communists suspects). We will be glad see Recto give up case

¹ Not printed.

² Senator Claro M. Recto of the opposition Nationalist Party. Senator Recto declined the Ambassadorship shortly thereafter.

as his exceptionally sharp mind has at some points proved too much for prosecution.³

CHAPIN

³ In telegram 1426 to Manila, January 9, drafted by John F. Melby, Deputy Director of the Office of Philippine and Southeast Asian Affairs, the Department replied as follows: "Dept wholeheartedly concurs with your action re current trial Communists Politburo Secretariat and believes you shld continue such pressure as you believe helpful." (796.001/1-851)

In despatch 1811, June 18, the Embassy summarized the convictions obtained. Of 30 defendants, 26 were found guilty of rebellion with murder, arson, and robbery. Six were sentenced to death, a penalty subject to automatic review by the Philippine Supreme Court. (Appellate proceedings were not completed during 1951.) The Embassy commented in part: "The active prosecution of other Communists or HMB members may now be expected since this verdict has provided the legal basis for such action." (796.5-MAP/6-1851)

796.5 MAP/1-1251

Memorandum by the Officer in Charge of Economic Affairs in the Office of Philippine and Southeast Asian Affairs (Shohan) to the Director of That Office (Lacy)

SECRET

[WASHINGTON,] January 12, 1951.

Subject: Mr. Melby's New Approach to Philippine Problems

Mr. Melby has recommended that financial assistance in support of the Philippine Government be solely, or substantially, directed through a military aid program. Since I believe Mr. Melby's memorandum¹ understates both the merits as well as the difficulties of his proposal, I will discuss it in my own terms with little reference to Mr. Melby's attractive statement.

The Philippines present a three-fold problem: (1) a security problem, (2) a fiscal crisis, and (3) it is "underdeveloped" in far reaching institutional and social senses. Each of these problems of course impinges on the others. The two short-run, crisis problems of (1) security, and (2) the budget result largely from lack of sufficient but realizable development of her economic potential, of her political and social institutions, and fundamentally of the intellectual and moral characteristics of her people. The security problem is in part a budgetary problem—ability of the government to pay for necessary military preparedness. And the budgetary problem arises in part because of the heavy costs of defense expenditures.

The urgency of the two short-run, crisis problems precludes our tackling only the more fundamental institutional problems of development, which are less amenable to rapid change. We and the Filipinos must, with varying emphasis of interest as between us, directly tackle the first two problems.

¹ Reference uncertain. For what is probably a later draft of the mentioned paper, see the document *infra*.

At the same time, we cannot completely neglect to attack the longer-run development problems. It is our chosen policy on a global basis, and a good policy. Deviation from it should not be acceptable in our own eyes, would have an ugly appearance in the eyes of other Asian countries, and would be particularly jarring to the Filipinos.

Therefore, I hold that our programs in the Philippines cannot rely exclusively on attacking any one or two of the problems described, but must embrace them all. Our programs must be organized within the limits of our resources, within the limits of understanding of our own government and people, with a view to maximum Philippine cooperation, and with a controlled approach to the security and budgetary problems. Our programs do not appear at present to be so organized and directed.

At present our general emphasis is upon longer run "development" factors, albeit with our tongue in our cheek. For example, Mr. Allen Griffin² recently told a considerable audience that we must not expect significant results in productivity or institutional change from the economic aid program, that the latter is rather in the nature of "a bribe" to enable our more effective participation in Philippine affairs.

I hold then, with Mr. Melby, that the center of gravity of our efforts should shift toward a military program, integrated primarily with the solution of the budgetary difficulties of the Philippine Government. It is in any event necessary to bend every effort to the institution of expanded and more efficient Philippine defense forces, well integrated with our own strategic plans. I believe this objective lies within our resources, will be apprehended by both the American and Philippine peoples, can be reasonably well supervised by the United States and can become the basis for securing significant supervision over other aspects of the Philippine economy.

Such a program might have been a substitute for the costly ECA "bribe" referred to by Mr. Griffin, which would contribute relatively less in directly meeting the two crisis problems. For reasons given earlier, such a program would, of course, have had to have been supplemented by a fairly extensive technical assistance program costing \$2 or \$3 million annually.

However, the situation cannot be approached without reference to the actions and negotiations of the last few months. I believe that if the Philippine Congress gives substantial although not complete performance on the Foster Agreement,³ we are morally bound to give equally substantial performance on a large-scale economic aid program, although together with proposed additional military expenditures the fiscal management problems will be great, especially if we

² Far Eastern Program Director, Economic Cooperation Administration.

³ For text of the Quirino-Foster Agreement of November 14, 1950, see *Foreign Relations*, 1950, vol. VI, p. 1521.

continue our present notion of demanding full peso counterpart deposits. I recommend that if, however, the Philippine Congress falls substantially short of full performance, we cut back immediately on the scale of our economic aid and look to military assistance programs as our major tool for dealing with the Philippine economic situation. In the circumstances envisaged I believe it will be necessary that we expand the scale of military assistance in order to encompass a significant portion of present Philippine military expenditures, both in order to bait Philippine cooperation and also in order partially to assist the Philippines in the budgetary problem that will arise in case of non-performance by the Philippine Congress on the Bell recommendations.

The recommendations of the Military Survey Mission ⁴ are in large part not comprehended in the present Philippine budget and would therefore not assist in meeting the present budget crisis. And that is the primary immediate as well as intermediate term problem—simply the problem of insuring some sort of reasonable if not perfect balance between government receipts and expenditures, avoiding a highly inflationary deficit position and avoiding a breakdown of Philippine Government fiscal institutions.

The problem is not now or in the foreseeable future a problem of a foreign exchange crisis. Additional United States expenditures in the Philippines, whether for military or economic purposes, will not of themselves assist in meeting the budget problem. Additional United States expenditures can only help if they increase government receipts without increasing its current obligations, for example, by directly relieving the government of obligations that it would otherwise have had to meet.

It is true that we can generally expect over a reasonable period of time that any and all additional United States Government dollar expenditures in the Philippines will “assist” that country by giving her command over goods and services from the outside world. Yet our expenditures may on their initial impact prove positively embarrassing by adding to domestic inflation and in no way directly contribute to the immediate government problem of managing its income and outgo. As has been properly if not effectively labored by many observers and analysts of the Philippine scene for a number of years, there is no necessary economic reason for additional American aid to the Philippines except as it is needed and useful as a type of bribe to produce better performance by the Philippine Congress and Executive on fiscal problems, and as it is needed to permit effective American supervision and advice to insure the same result. It is really only incidental to these objectives that additional American expenditures

⁴ See *Foreign Relations*, 1950, vol. VI, p. 164.

will improve the Philippine foreign exchange position and will assist for the longer-run in developing Philippine basic resources, both natural and human.

The Philippine budget for the present fiscal year and prospectively for 1952 is radically out of balance. The deficit for the present year may be of the order of \$75-\$100 million, in the absence of substantial receipts from new taxes recommended. Also in the absence of new taxes, the deficit for 1952 may be of the same general magnitude. If we can obtain an improvement in the Philippine fiscal position and get American supervision by using the bait of financial assistance for the development of her military establishment, we need not have offered the additional bait of approximately \$50 million annually for economic development. In fact, the addition of substantial economic outlays to the substantial new military outlays may prove sufficiently inflationary further to complicate the Philippine economic position and specifically the government's fiscal position.

However, it would appear to me that we could not achieve our purposes only by supplying funds to finance substantially new military activities in the Philippines. This would be without any direct effect on the government's fiscal position, and in requiring the government immediately to put up counterpart peso funds we would, in effect, be merely requiring the government to buy our military services with pesos. This would either (a) increase the government's budgetary problem, or (b) transfer to us without any significant consideration control over these Philippine Government receipts. I believe the proposal could only be made sufficiently attractive if we were in addition to financing the items recommended by the Military Survey Mission, [to] take over other items of Philippine national defense expenditure, equivalent to the anticipated governmental budgetary deficit.

I recognize that my proposals anticipate possible defeat on the line we have continually taken, that we will not extend economic assistance to the Philippines without adequate performance on its part. But such acknowledgement would be no more than recognition of the hard fact that for whatever reasons our policy has not succeeded. It would also be recognition that one of these reasons may well be the Philippine conviction that in view of current Far Eastern developments we cannot let them down in meeting their immediate critical problems, and this I take to be axiomatic.

Summary:

Financing new military expenditures in the Philippines would not significantly contribute to, and might further embarrass, the alleviation of immediate Philippine governmental economic problems. Only if we were to underwrite present military expenditures would our military program be of assistance. Such action on our part would be,

in simplest terms, an outright budgetary grant, but in a form which might be more palatable to our own Congress and would permit the United States to have extra control over the Philippine military establishment. A budgetary grant, however, is only a temporary palliative. A cure can come only from increasing the efficiency and sense of responsibility of the Philippine Government itself. To bring this about some "bribe" is necessary. Perhaps a budgetary grant along the lines mentioned above would have been sufficient. It remains, however, that the "bribe" has already been extended through the Foster-Quirino agreement. It is too late to switch bribes, if the Philippine Government lives up to the "quid pro quo" required of it in the Foster agreement. Should the Philippine Government fail to provide substantially full performance on its side of the bargain, we should not then fail to call off the bribe of the ECA program and satisfy our own immediate objectives in the Philippines through taking over the full amount, if necessary, of the Philippine national defense expenditures.

796.5 MAP/1-1551

Draft Paper by the Deputy Director of the Office of Philippine and Southeast Asian Affairs (Melby)

TOP SECRET

[WASHINGTON,] January 15, 1951.

THE PHILIPPINES

PROBLEM

To implement N.S.C. 84/2¹

ASSUMPTIONS

1. It is assumed that the United States is determined, regardless of the cost and despite any eventualities, as part of its Pacific policy to retain the Philippines within the orbit of the democratic powers and to deny it to the Soviet orbit. This is the irreducible minimum of American security and interests in the Pacific and the Far East.

2. To assure success of this policy the developments most unfavorable to the United States in East Asia must be anticipated and taken into account in the following terms: with the inevitable debacle in Korea, with continuance of the Communist regime in power in China, with the certain Communist victory in Indochina if there is a Chinese Communist invasion (assuming American lack of available resources at present to intervene with armed force), and with the probably consequent envelopment of the rest of the mainland of Southeast Asia within the Communist embrace, non-Soviet influence will and for the

¹ For text of NSC 84/2, approved by President Truman November 10, 1950, see *Foreign Relations*, 1950, vol. VI, p. 1514.

predictable future have been eliminated from the East Asiatic mainland. Burma might be denied to Soviet communism in the event that developments in Asia should persuade India to abandon its neutrality, align itself with the democratic powers, and assist Burma to retain its independence.

3. American influence will then have been pushed back to the island chain off the mainland. The factors bearing on the problems of Japan and Formosa are beyond the scope of this memorandum, but it is assumed they will be retained by the United States. Assuming the development in paragraph 2, the limitations of American resources as reflected in commitments elsewhere, and the basic instability of the present Indonesian political situation, the prospects of retaining that archipelago can be given no more than a fifty-fifty chance. If the Philippines falls under unfriendly control, the American position in the island chain becomes untenable. The exploitable, strategic and psychological advantages of the Philippines to the United States are too obvious to require exposition.

ARGUMENTS BEARING ON THE PROBLEM

1. At the outset it must be admitted that the Philippines is in a parlous, though by no means hopeless, condition because of the catastrophic destruction caused by the war against Japan, of the altruistic and short-sighted failure of the United States to exercise the needed constructive and guiding influence on the affairs of the Republic since its independence, and of the relatively new societal development and experience of the Philippine people as compared with other Asiatic peoples.

2. The half-century of American rule in the Philippines created a deep-rooted and lasting orientation of the Filipino people toward the United States which will permit us to take any course of action which takes into account legitimate Philippine aspirations and tactfully approaches the natural sensitivities, insecurities and frustrations of a new state in the present world-wide struggle between antipathetic ideologies.

3. Whoever controls the Philippine armed forces controls the country in accordance with the traditional *cacique* pattern.

4. The post-war economic dilemma of the Philippines does not arise from a lack of basic wealth. It arises, rather, from the failure to restore prewar production (prior to 1941 the Philippines was not only self-supporting, it also paid all internal administrative and internal peace and order expenses incurred by the United States), mismanagement of available wealth, and inefficiency and corruption. In its immediate aspects the crisis arises from the dissipation of dollar reserves, and the failure to increase production sufficiently to make added dollar reserves and peso savings available for the necessary

additional capital investment—through this spiral raising the standard of living to a point which will preclude internal unrest. The obvious intention of the Bell Report is that a combination of American financial and technical aid and American control will create this spiral and thereby deprive the Communists of any argument likely to seduce the broad mass of Philippine people to their way of thinking, while at the same time strengthening Philippine-American ties. The Bell Report ² envisages an American expenditure of some 250 million dollars in grants and loans at an average rate of 50 million dollars a year to achieve this purpose.

5. The present Philippine military establishment, so far unable to control the Huk ³ problem from a military standpoint, absorbs roughly 150 million pesos, 30 percent of the Philippine budget, a proportion which seriously endangers efforts to reestablish economic stability.

6. With the step-up in the tempo of Communist aggression in Asia and the increasing use of armed force to implement Communist purposes, it becomes increasingly apparent that the luxury of retaining the Philippines within the American orbit for the most part by relatively long-term economic methods can no longer be afforded. Emphasis on enlarged military program is now indicated. In view of the peculiar circumstances of the Philippine economic problem, the military solution offers economic as well as military prospects.

7. A formal request has already been made by the Philippine Government for additional military assistance in the form of material and budgetary aid. The first financial request is for 25 million dollars, but there is much evidence this, at a later date, will be increased. The Philippine Government obviously considers this request to be in addition to the 250 million dollars it expects to get under the ECA program and would make roughly 100 million dollars a year available. Given the present tempo in Congress, the inclination of the Department of Defense to agree to the priority of military aid, and the lobbying skill of the Filipinos, it is probable that the Philippines can get additional military aid, regardless of any other program. It is altogether possible that an additional military program would seriously jeopardize the chances in Congress of any economic program not correlative with the military. An uncorrelative military program by itself would be no more than a stop-gap with outgrowing economic consequences which

² Daniel W. Bell, *Economic Survey Mission to the Philippines: Report to the President of the United States* (Washington, Government Printing Office, 1950). For extensive documentation regarding the formulation of this report, see *Foreign Relations*, 1950, vol. VI, pp. 1474–1502, *passim*.

³ *Hukbong Mapagpalaya ng Bayan* (People's Liberation Army), a military force affiliated with the Communist Party of the Philippines.

would not be controlled. Parallel military and economic programs would give the Philippines greater resources than it could absorb and result in a wastage of dollars. Furthermore, the Philippines, once it had adequate dollar resources at its disposal, would lose much of its already lukewarm interest in a controlled economic program and enable the Philippine Government to play off one program against the other for its own purposes. ECA would also be enabled to reduce its dollar outlays to a nominal sum for technical assistance, and possibly for an occasional project as circumstances might indicate.

8. The Joint State-Defense Mutual Defense Assistance Program Survey Mission to Southeast Asia recommended the following with respect to the Philippines:

(a) The establishment of a regional Southeast Asian organization with headquarters in Manila.

(b) Stock-piling of American materiel for Asia in the Philippines.

(c) Stationing of one or two American divisions in the Philippines for purposes of internal order as well as availability for service elsewhere in the Far East.

(d) American training, payment for, and organization of two Philippine divisions. This would, in effect represent American control of the Philippine Army.

On the basis of the best available estimates, this would involve an expenditure in the Philippines of a sum not exceeding 50 million dollars a year, or 250 million dollars over a five-year period, said dollar exchange to be available to the Philippine Government for purchases of capital equipment and economic development by the Philippine Government, in accord with the Bell recommendations.

9. The foregoing program would provide the double advantage of affording necessary military security in the Philippines and would, furthermore, make available the necessary dollar exchange and peso savings needed for economic development.

10. American subsidy of the Philippine army to the extent of 50 million dollars a year would result in a saving of that amount in the Philippine budget. This saving should not, however, be applied to balancing the budget, which should be accomplished by a continuance of the present increased tax and improved tax collection program, but should be applied to financing the economic development program contemplated in the Bell Report. The program should be developed under the same terms and conditions envisaged in that report and with the same amount of American technical assistance and supervision. The Army military program grants would make available needed dollar exchange for capital goods imports. In any event, the amount of capital goods which the Philippines can expect to import from the United

States will decrease as American military requirements increase. The basic Philippine economic need is dollar exchange, plus technical assistance, to develop resources, rather than outright financial assistance. The Philippines has the resources to finance this program itself if it will administer its internal affairs with reasonable honesty and efficiency. If the United States can increase its forced savings in the common interest, the Philippines should be expected to do likewise.

11. Any military agreement should be accompanied by another agreement providing for control of expenditure of economic resources derived from the military program as well as for requisite technical and specialized assistance.

12. The success of such a program can, in the eyes of Asia, dramatically vindicate the already unduly tarnished post-war American record in the Philippines.

13. Present Philippine leadership, by virtue of its past malfeasance and demonstrated incompetence, should be strengthened.

RECOMMENDATIONS

1. That the recommendations of the Joint State-Defense MDAP Survey Mission to Southeast Asia be adopted as the basis of the American politico-economic-military program for the Philippines and the United States undertake to train, organize, direct and pay for Philippine armed services to the extent of 50 million dollars a year, as well as direct actual combat activities against dissident elements.

2. That the Congress be requested to make the necessary appropriations.

3. That the necessary accommodations be made with the Philippine Government and the required adjustment in the proposed ECA program be made.

796.5-MAP/1-1651

The Deputy Director of the Office of Philippine and Southeast Asian Affairs (Melby) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

TOP SECRET

[WASHINGTON,] January 16, 1951.

Proposed New Approach to the Philippine Problem.

I am attaching comments from S/ISA on the proposal for increased military aid to the Philippines and the integration and coordination of that aid with the economic program. In brief, S/ISA likes nothing about it. My comments on the S/ISA memorandum are the following:

1. S/ISA questions the premise that greater American direction of the Philippine military establishment is necessary to retain the Philippines within the democratic orbit.

Comment: Every military man I know, and practically every civilian with any Philippine background, believes the United States should go even farther in this direction than we in PSA are yet prepared to do. The record of the Philippine army the last few years should speak for itself. Responsible Philippine military leaders also agree on the necessity for added American supervision.

2. S/ISA doubts there would be Philippine-American support for this proposal.

Comment: The Philippines have already accepted the suggestion and the only American opposition I know comes from S/ISA. Even our own local economists who have raised objections do so on economic grounds, not military.

3. S/ISA cannot "imagine a sensitive and proud people" agreeing to the controls we suggest.

Comment: Responsible Filipinos have already agreed.

4. S/ISA raises the question of the political implications of the kind of control we suggest.

Comment: The point is well taken and there will be political repercussions but they will be inconsequential as compared to the repercussions if we should lose the Philippines to the Communists.

5. S/ISA questions whether the Philippines would accept the economic controls which are envisaged as a corollary to the military program.

Comment: The Philippines is already resisting the controls implicit in the Bell Report, hence nothing new will have been added under this proposal and the Philippines will have no alternative. Considering the present level of the Philippine tax structure, that Government will have to go a long, long way before it approaches a tax level even comparable with our own. I am not impressed with the hardships additional taxes in the Philippines would impose.

6. S/ISA suggests that FE and the NAC should explore conditions to be placed on the utilization of American aid dollars as well as the administrative mechanisms for securing performance.

Comment: I am under the impression that the Bell Report, PSA, FE, ECA and the NAC have already done this and are agreed.

7. S/ISA believes that labelling American aid as military would not overcome objections to compliance with the conditions laid down in the Bell Report, and furthermore, that Philippine relations should be handled in a straightforward manner.

Comment: I would not expect this proposal to overcome the objections, nor would I expect anything else to do so. I do not quite understand what is meant by "straightforward manner", and I question whether the Filipinos will understand it any more or appreciate it.

8. S/ISA "recognizes the seriousness of the Philippine problem and believes that any proposal which offers some prospect of providing a solution thereto should have prompt and careful consideration."

Comment: I concur.

Recommendation: That the proposal for increased military aid in the Philippines be discussed with S/ISA at the necessary level as soon as possible to the end that this proposal can be implemented now.¹

¹ Further documentation on discussion of Mr. Melby's proposal in its original form has not been found in Department of State files.

796.5/1-2251

Memorandum of Conversation Between the Ambassador in the Philippines (Cowen)¹ and the Philippine Secretary of National Defense (Magsaysay)²

SECRET

MANILA, January 22, 1951.

Subject: Notes on conference between Secretary of Defense Magsaysay and Ambassador Cowen at approximately 11:40 a. m. this date.

The Secretary was informed that General Marshall³ was not happy relative to the high command set-up of the Philippine Armed Forces. The Ambassador stated bluntly that General Marshall, in a conference with General Romulo,⁴ the minutes⁵ of which he had seen, stated that he "did not wish to have the same experience that he had had in China in supplying arms to an Army which was guided by political interests."⁶

Secretary Magsaysay agreed with this point of view and stated that he was making all possible efforts to place the Armed Forces of the Philippines out of the realm of politics. He stated that in his effort to clean up the corruption in the Army he had caused an investigation to be made relative to the replacement of new parts on MDAP equipment with second hand parts purchased locally. He stated in this respect that he had ordered General Castaneda to make an investigation; that General Castaneda had relieved Colonel Causing who was making a thorough investigation and had replaced him with an officer, name unrelated, who, he said, had been due for retirement but whose retirement had been held up at General Castaneda's instigation. However, laterally an investigation has been made and thirty-two (32) officers were implicated and they are in the present status of awaiting trial by General Court Martial. Officers are now being appointed to the Board to try these officers. The Ambassador replied that only heavy sentences in this case and wide publicity would be satisfactory to us.

¹ Ambassador Cowen had arrived back in Manila on January 19.

² The source text, which is unsigned, is typed on the letterhead of the U.S. Naval Attaché and Naval Attaché for Air, a post held by Capt. Walter Coler Holt.

³ George Catlett Marshall, U.S. Secretary of Defense.

⁴ Foreign Secretary Romulo, who was also his country's Permanent Delegate to the United Nations with the rank of Ambassador, had been a Brigadier General in the U.S. Army during World War II.

⁵ Not printed.

⁶ For documents pertaining to the mission of General Marshall to China, see *Foreign Relations*, 1945, vol. VII, pp. 745 ff.; 1946, volume IX; and 1946, vol. X, pp. 1-723.

Secretary Magsaysay then related his experiences with an informer from the Huk organization which had led to the subsequent arrest of the local politiburo. He stated that when the round-up of these suspected Huks was carried out, he had directed that a thousand men be used to implement the arrests. General Castaneda had persuaded him that two hundred men would be sufficient and as a result many of the suspected Huks escaped (this last was confirmed at the time of these raids by conversation between the Naval Attaché and Ltcol Balao, G-2.) However, a sufficient number of the Huk hierarchy was captured in these raids to cause a slowing-up, if not cessation, of the Huk activities for some time. This same informant had given him, the Secretary, information which led to the arrest of the perpetrators of the train payroll robbery of November 1950 and the recovery of part of the stolen funds.

[Here follows discussion of a site for a Voice of America transmitter.]

796.001/2-1551

*The Ambassador in the Philippines (Cowan) to the Department
of State*

SECRET

MANILA, February 15, 1951.

No. 1194

Ref. Embdes 1009, January 15¹ and Embdes 1057,¹ January 24, 1951

Subject: Countermoves Against Philippine Communist Party

From recently captured Communist documents we have learned much about the intentions of the Philippine Communist Party (CPP). The capture of members of the Politburo Secretariat has put out of action what is undoubtedly one of the ablest revolutionists in the Philippines—José Lava.² It is to be hoped that he will not be allowed to resume his activities. However, others will take his place—for the Party is constantly training new cadres and upgrading them to take the place of those who are eliminated. Potentially, the greatest importance of the raid resides in the fact that we have learned from captured documents much about the estimates and intentions of the CPP. If this potential value is to be realized, we must take countermeasures designed to correct weak points which the CPP planned to attack, and to thwart its plans by adequate countermeasures. Failure to do so would be inexcusable.

¹ Not printed.

² Believed by the Embassy to have been head of the Secretariat of the CPP at the time of his arrest.

In suggesting political and other measures which, in the light of the captured documents, we think should be given early attention, we do not wish to convey the impression that we would favor any delay in implementation of economic measures recommended in the Bell Report of October 9, 1950. We are convinced of the essential soundness of that Report. Economic measures resulting, for instance, in increased agricultural yields and improved farm income, will do much to relieve agrarian unrest. We also feel that the amount of \$250,000,000 U.S. aid, recommended therein for extension over a period of five years, is a very modest one. (Incidentally, we would point out that certain of the figures of postwar aid which we have seen seem to us to have been arrived at on an unfair basis. The \$520,000,000 program of aid authorized under the Philippine Rehabilitation Act was well-administered and from it the Philippines undoubtedly received great benefit; it should be recalled, however, that we had in public statements promised to make good in full the wartime losses of the Philippines and that the Rehabilitation program actually made good only a minor portion of those losses. In addition, we gave the Philippines comparatively modest amounts of military aid, an RFC loan of \$60,000,000 and surplus property of high procurement cost but of uncertain peacetime value—which we did not want ourselves and in return for which we exacted certain valuable considerations from the Philippine Government. To convey the impression that we have given the Philippines billions of dollars worth of postwar aid accordingly is to give a false impression.)

The following are suggestions, chiefly political in character, evoked primarily from a study of Communist documents and secondarily by observations by Embassy officers of trends in the Philippines within the past few months. They have been shown to the responsible ECA official in Manila, who agrees with them.

I. Honest and peaceful holding of November 1951 elections.

We should (as soon as the Department may express its concurrence) begin exerting our influence to ensure that the November 1951 elections not only are held, but are held under conditions characterized by an absence of force and fraud.

The following are related considerations: It will be difficult to have honest, peaceful elections unless both parties reach agreement upon a program designed to make them so. Quirino personally was responsible for some of the malfeasance in the last elections; unless convinced of his willingness to behave properly, opposition groups will be likely to seize the initiative and engage in skulduggery in areas where they are strong on the principle that to be deceived once is innocence but to be deceived twice, without paying the enemy back in kind, is stupidity. Perhaps the rival parties could be persuaded to come to agreement if it were pointed out: (a) to Quirino that election of his senatorial slate last time did not ensure to him control of the

candidates once they were elected—witness his troubles with Senators Cabili, Montano, *et al*; (b) to the opposition that honest, peaceful elections are to their benefit because the Administration could outdo them in the use of force or fraud; (c) to both sides that it is only the Communists who would gain by unfairly-held elections—or by failure to hold them at all (as noted in our despatch 1009, January 15, 1951, the Politiburo Secretariat apparently believed that a mass shift of public opinion in favor of overthrow of the Government by Communist armed force may follow if the elections are not held or, if held, are accompanied by fraud and terror).

We must be careful not to involve Magsaysay in this matter until necessary. However, the Army *may* need to guard the polling booths in the provinces; if both sides are agreed that it is to do so, and are willing to trust Magsaysay, he can do much to ensure honest, peaceful elections. Conversely, honest elections will be difficult in provinces and areas where temporary police are utilized. Quirino has been quoted as saying he has ordered their disbandment. Such orders should be formalized in an Executive Order and implemented within the next very few months.

II. *The Philippine Government should insofar as possible be influenced to follow more enlightened policies.*

The weakness in our position here is that we no longer have authority. This leaves us only influence, of which we must make best possible use. ECA technicians can accomplish some of the needed redirection of Philippine Government policies. We should keep in close touch with key ECA men with this in mind. If we are stuck with Quirino, we shall have to redouble our efforts to head off some of his blunders and to get him to correct the worse ones. We know of no Filipino official of Cabinet rank who could serve at his elbow as a “no-man” except Romulo.* We think it would be better to have Romulo here in the Philippines rather than in New York or Washington—granting Romulo’s overweening ambition and a certain undependability, he at least has a good brain.

III. *Land redistribution.*

The Communist plan is to seize landlord-owned land, redistribute it to poor peasants (who thus automatically are placed outside the law), and arm those peasants. We must anticipate them with a program sufficiently prompt, generous and dramatic to cut the ground from under their feet and gain for our side the positive support of the peasantry. This will cost money—but so does arms aid, and it could create goodwill whereas almost everybody who gets killed or wounded by our arms has relatives and friends who may turn Huk, creating need for more arms aid. Money to finance the program should be available from ECA counterpart funds. A fast-moving program will be imperfect and will arouse cries of “me too” from those left out. We could put the onus on the people in each area themselves—using committees of tenants on the various estates to help in redistributing the land.

*Magsaysay is an able and strong Cabinet officer but due to several circumstances, including his necessarily frequent absences from Manila, he cannot readily perform this function. [Footnote in the source text.]

IV. *Land reclamation.*

If the draining of the Candaba swamp is feasible it should be done and the land distributed to landless peasants. This would be a dramatic program with high propaganda value, which is an important factor. (We want to benefit the economy and get the propaganda-credit for doing so—we could pump in a lot of money without gaining much of the mass support if few individuals can see what they personally have gained.) If we drained Candaba swamp and gave the land to landless peasants, the Government might even dare form local self-defense corps among the peasants, to hold their area against Huks seeking to conscript the grain crops.

V. *Labor problems.*

According to a captured document the Philippine Communist Party, which in the past devoted a large share of its efforts to overt and semi-overt trade union activity, now intends to concentrate on the organization of secret cells in public utilities and other strategic enterprises. Communist success in organizing such cells and preparing them for action, coupled with substantial extension of the Huk rebellion in the countryside, would present an acute threat to the Philippine Government. It accordingly behooves us to diagnose and attempt to remove or minimize the factors which would facilitate Communist organization of Philippine labor.

These factors include: (1) payment of substandard wages; (2) the racketeering character of many so-called trade union leaders; (3) the ignorance of Philippine workers; (4) inadequacy of present labor legislation; and (5) lack of proper enforcement of existing laws. These unfavorable factors and steps which might be taken to deal with them are set forth in the pertinent sections of the Bell Report. One measure recommended in that Report is the passage of suitable minimum wage legislation; ECA has been addressing itself to the problem of pushing such legislation through the Congress and thereafter should concern itself with the more difficult and important problem of its observance and enforcement. Another key measure is the development of sound Filipino labor union leaders, who should in turn devote attention to the education in labor union practices of the rank and file. The Bell Report recommends that the representatives of three American labor organizations come to the Philippines to develop Filipino union leaders. This recommendation is an extremely important one and should be implemented; if, for some reason, such representatives cannot come to carry out the task, consideration should be given to the possibility of doing the job through technical assistants supplied by ECA.

VI. *Reforms of principally financial character.*

It seems apparent from the captured documents that the Communists realize that the deterioration in Philippine economic conditions is of very great help to them. Some of the financial measures necessary to halt and reverse that deterioration are outlined below:

(1) Inflation must be brought to a halt or, at least, sharply reduced. Rapidly rising prices are one of the most potent forces creating discontent and thereby providing a fertile field for Com-

munist propaganda. Direct attacks must be made upon the two factors which are, at present, most responsible for inflation in the Philippines. First, the federal budgetary deficit must be eliminated or sharply reduced, particularly in view of the fact that there is virtually no public market for federal securities and virtually all practical means of financing budgetary deficits in the Philippines involve creation, through the banking system, of additional money in circulation. Secondly, steps should be taken to prevent further large increases in the gold and foreign exchange reserves of the Central Bank and commercial banks; during 1950, such increases (about \$106 million) involved an expansion of the money supply by about 212 million pesos, while reflecting an excessive curtailment of imported goods which might otherwise have served to counteract inflationary pressures.

(2) Import and exchange controls should be eliminated or greatly relaxed as fast as practicable. Controls are distorting and injuring the national economy, enriching corrupt officials and alienating the people. The Philippines lacks sufficient honest and technically-qualified men to run a complex set of controls and such controls are, in any case, dangerous governmental instruments inasmuch as they inevitably vest government officials with vast discretionary authority to favor the growth of individual industries or firms (importing industries and firms, directly, and virtually all others, indirectly) at the expense of others and on the basis of questionable criteria such as "essentials versus luxuries," "public welfare versus profit-making," etc. . . . A genuinely democratic society must rely to a maximum upon the free operations of the price mechanism, whereas the essential element of exchange controls, and particularly import controls, is reliance upon governmental discretion. Such governmental discretion feeds upon itself and is likely, sooner or later, to lead to totalitarianism.

Unfortunately, complete elimination of import and exchange controls does not appear possible at this time inasmuch as such action would unquestionably involve a rapid exhaustion of Philippine gold and foreign exchange reserves as a consequence of (a) capital flight, prompted in part by war fears, and (b) excessive imports, prompted in part by speculation based on fears of war, scarcities in the U.S., etc. . . . and in part by the unrealistic exchange rate.

The proposed legislation now before the Philippine Congress calling for a 25 per cent tax on sales of foreign exchange would undoubtedly, however, do much to ease the pressure on the country's gold and foreign exchange resources by bringing the effective selling rate for foreign exchange more closely into harmony with Philippine and U.S. prices, while increasing tax revenues and thereby reducing inflationary pressures. In addition, the bill, now passed by both Houses, which provides for increased excise taxes on certain luxury items should reduce or eliminate the need to limit luxury imports by direct controls. If the gold and foreign exchange resources of the Philippines continue to rise as a result of these measures and, possibly, U.S. supply scarcities or export controls, it may prove possible, in the very near future, to press for considerable relaxation or even elimination of import controls.

On the other hand, it may prove impossible to take such steps if inflation persists in the Philippines at a rate more rapid than in the United States.

(3) A thorough reform of the income tax enforcement machinery so as to capture the actual tax liabilities of the wealthy Filipinos is essential. This would accomplish many important objectives among which may be included the following: (a) increasing tax revenues, possibly by more than enough to avoid deficit spending, (b) reducing the need for reliance upon various types of unit taxation, including the proposed tax on sales of foreign exchange, and (c) weakening the grip of the landlord-official class upon the Philippines.

(4) Technical assistants in various fields provided by the U.S. Government, besides seeing that funds provided by the United States Government in support of Philippine economic development are used as effectively as possible, and, in addition to establishing procedures to reduce the inefficiency of government, should also devote themselves to reducing the opportunities for, and the practice of, corruption in the Philippine Government.

VII. *Military and quasi-military suggestions.*

(1) The Communists won in China for many reasons, one of which is that their propaganda and infiltration had drained the Government armies of all will to fight. They intend to carry on such activities here. JUSMAG, with the help of more specialists like Col. Lansdale, should be encouraged to prepare a plan to safeguard the Philippine Armed Forces against the Communists' propaganda and infiltration. Perhaps this would take the form of special U.S. assistance in building up their intelligence and counter-intelligence work.

(2) JUSMAG should cause the PAF to put great stress on catching Huk "expansionista" units and to wipe out Huks in newly-infected areas before they get the local populace indoctrinated and organized.

(3) A continuing defect of Government military operations, according to reliable observers with whom we have very recently talked, is disinclination to come into close combat with the Huks. A few Government commanders show a desire to fix and annihilate Huk bands, but many more are inclined to disregard opportunities to do so. Too generally, they do no more than exchange fire with them at a distance until the Huks withdraw. The problem is not simple of solution, but JUSMAG should be encouraged—if it is not already doing so—to check upon unit commanders and to push the promotion to positions of command responsibility of officers showing readiness for combat. It seems to us that the necessary information with respect to various officers can best be obtained by the assignment of substantial numbers of American officers to duty as field observers.

(4) In Iloilo the Government has made the mistake of clearing thousands of people out of interior and mountainous barrios and keeping them in town for long periods; we are informed by responsible observers that this is alienating the local people. The idea was that anybody found in the cleared area could then be treated as a Huk. However, the Huks moved over to Antique, the evacuated citizenry lived under conditions of crowding and hunger such that they became

disgusted with the Government, and numbers of them decided they would rather take the chance that they would be shot in the hills. Such evacuations should be strictly limited as to time. JUSMAG might be able to prevent this sort of thing being carried too far, as it was in Iloilo, and doubtless elsewhere as well.

(5) A program we should be able to carry out with Philippine Government blessing would be an "operation blotter" designed to acquire loose arms and thus keep them from being used in the expansion of Huk forces. There are several caches of arms and ammo left over from surplus depots—if we do not buy them the Communists will do so as fast as they can raise the necessary money. Perhaps this program should be paralleled by one for strict accountability of Government Armed Forces weapons—lest we end up buying and rebuying the same weapons. The Department might be queried whether MDAP or other funds could be used in such a program.

VIII. *Use of mass media.*

The Communists propose to organize the masses to overthrow the Government. Ideally, the Government should organize the people to freeze out the Communists. This would require a shift in mental attitudes and a cutting-away of the power of the landlord-official class which is badly needed in the Philippines but which would be very difficult of accomplishment. Perhaps the best we can hope for is to push through sufficient reforms to make the majority acquiescent and a substantial minority willing actively to fight for its Government.

However, we should not lose sight of the fact that the Philippine Government and the United States need all the mass support in this country which we can win. There are some things the U.S. is free to do in the Philippines which have the merit of seeking to influence the masses in favor of our way of life. Using USIS, we might, for instance, help finance and influence the content of the adult-education program, supervised by the schoolteachers in their spare time. Much as Dr. James Yen taught Chinese coolie-soldiers to read 1000 characters, we could prepare simple vocabularies with picture illustrations and lessons using those vocabularies. Some lessons might convey practical information (along the lines of the USIS self-help pamphlets, such as "Botyok and His Chicken House" which describes how a peasant built a hen-house of local materials with resulting increase in his output of eggs); these would win the peasants' goodwill. Other chapters might consist of simple, true lessons on democracy, liberty, independence, and equality. The printed page carries great conviction to a man when he first learns to read.

We might also distribute cheap radio sets tuned for only one wave length and then see that really enjoyable programs are broadcast on that wave length—mostly music and a little news, straight but well selected. (We should not talk our heads off—nobody will listen, and besides we are not selling soap or cigarettes.)

If we are going to train Filipinos under the ECA program, we should let them know why we are training them. The Communists in their training schools teach (1) a technique; and (2) Communism. We should not try to teach anti-Communism but rather Democracy—let our trainees know we are trying to help the Philippines make its

independence and democracy stick in the face of a new international imperialism and old domestic undemocratic attitudes.

Action requested: It would be appreciated if the Department would in consultation as desirable with other agencies of the Government, reach decision with respect to the suggestions outlined above and issue appropriate instructions.

MYRON M. COWEN

FRC Lot 53 A 278: ECA Cable File

*The ECA Acting Administrator (Bissell) to the Embassy in the Philippines*¹

CONFIDENTIAL

WASHINGTON, February 22, 1951—2 p. m.

Ecato 151. Toeca 147, Round Up Cable Feb. 20.² Appreciate your round up cables.

Most necessary you continue with assistance Ambassador utmost pressure united front for uncompromised minimum wage legislation which is integral indispensable provision Quirino-Foster agreement.

You may make clear that US Govt. does not consider this agreement a Quirino administration program but program indicating acceptability American aid that cuts across party or partisan lines and indicates readiness or unreadiness all political factions meet Philippine national crisis.

Other Subjects: ECA will ask Bureau Budget this week for allocation \$15 million Phil at the same time presentation made for additional FY 51 sums Formosa, Burma, Thailand. This allocation merely makes available sum for initiating program but make it plain no part will be expended pending Phil legislative determination it is prepared meet initial conditions for aid. Be prepared sterilize publicity to contrary.

We have prepared FY 52 presentation for \$50 million but willing consider amendment for larger sum if proposed program and justification compelling. Agree in principle five-year mathematical division not sound basis for evaluation problems to be met but that utmost benefits to economy and widely to people must be sought in first year aid operation to supplement military efforts to turn tide of deterioration law and order.

BISSELL

¹ ECA messages, though addressed to the Embassy, were on arrival directed to the office of the ECA Special Representative in the Philippines, Vincent Checchi. Mr. Checchi was in the Philippines as the year began but did not receive the title mentioned until January 18.

² Not printed.

796.13/2-2351 : Telegram

The Chargé in the Philippines (Terry)¹ to the Secretary of State

CONFIDENTIAL

MANILA, February 23, 1951—4 p. m.

2512. Deptel 1907, February 21 and Embtel 2505, February 22.² In our reftel February 22 we discussed factors which may have precipitated Quirino's order that Romulo returned Philippines. Following partial report of probably underlying causes:

We gather from Checchi that considerable pressure has built up within last couple weeks during which Congress has been stalling on minimum-wage and tax legislation. He has during this period been telling leaders both Houses Congress that ECA cannot begin extending aid till Philippine Government fulfills its side of bargain by passing such legislation. He cited as evidences such pressure facts that: (1) while his off-record remarks still recently were kept confidential, beginning about ten days ago such remarks to Congress seemed to have been leaked to press in distorted versions apparently calculated undermine stand he has been taking; and (2) Quirino, seeing Checchi in audience listening to his Rotary speech last night, addressed himself to Checchi with seemingly interpolated remarks to effect that Philippines cannot raise all the pesos 565,000,000 in taxes expected by ECA and that US should not be so hard on Philippines.

We suspect that Quirino's feeling that he and his government are under US pressure—coupled with frequent press reports that we are rushing or will rush arms aid to Vietnam and Formosa—had something to do with his ordering Romulo return here to report on alleged lack progress his mission to secure speeded flow US arms aid by calling Romulo back for that alleged purpose at time when Romulo has been outstandingly helpful to our cause in UN, Quirino may

¹ Ambassador Cowen had left Manila for the United States on February 16 (on home leave).

² In telegram 1907 to Manila, February 21, the Department had stated in part: "Romulo advises he has just recd angry telephone call from Quirino ordering him return Manila at once. According to Romulo Quirino says he is badly needed Manila and has been spending time in US working on UN affairs but without benefit to Philippines since Amer aid continues to be only a trickle and Huk situation now so critical will be impossible for Phil Gov to hold out much longer. Romulo states he will stall on instrs long as possible". (796.13/2-2151)

The President had announced his sudden decision to recall Minister Romulo at a cabinet meeting held February 20 (Manila time) and news of it appeared in the Manila papers February 21. In telegram 2505 from Manila, February 22, the Embassy had reported in part: "Vice President [Lopez] says he was present at Cabinet meeting and that Quirino made remark to effect that Romulo should not be off in US enjoying himself at time like this but should be here 'suffering with us'. He insisted that dissatisfaction re US military aid is not at base of recall—as Romulo can report as well by cable as in person. Rather, he laid it to jealous personality of Quirino who dislikes seeing Romulo gathering headlines. We suspect precipitating factor was stand taken by Carlos Romulo, Junior, in recent debate at Far East University that President should not have suspended writ *habeas corpus*". (796.13/2-2251)

feel he is drawing attention to fact that he is not without bargaining cards in dealing with us and may believe he is transferring some of the pressure he is under back to us by pointing up fact that US like Philippines has not been speedy in living up to mutual commitments.

TERRY

896.00-R/2-2651 : Telegram

The Ambassador in the Philippines (Cowen)¹ to the Secretary of State

SECRET

MANILA, February 26, 1951—5 p. m.

2542. During first long breakfast meeting Quirino this morning fully discussed all matters Deptel 1938, February 24,² also conveyed message Deptel 1892 February 20³ and pursuant talk with Checchi ECA position as stated Ecato 151, February 22.⁴

Quirino stated Checchi had informed both Yulo⁵ and Perez⁶ that 15 million would be in addition to 250 million in Bell recommendation and that Checchi had agreed with Yulo on program for expenditure 15 million in advance completion legislation contemplated by Foster-Quirino agreement. Checchi denies this and I am willing accept Checchi version. Much of this confusion stems from Checchi talk with Perez week before last against which I had cautioned him.⁷ Quirino expressed himself as being "exasperated" with delay in US economic aid as well as equipment for addition of BCT's. President said Philip-

¹ Ambassador Cowen had returned to Manila February 24.

² Not printed. In it the Department had suggested a number of representations which the Ambassador might make to President Quirino, with the purpose of persuading the President to allow Minister Romulo to remain in the United States (and at his post at the United Nations) for the time being. (796.13/2-2451)

³ This telegram reads as follows: "In view frequency in which it is necessary to beat up Quirino Dept suggests you may wish to seek out occasion express to him Depts appreciation for his statement on departure of Sukarno". (796.00/2-2051) Reference is to President Quirino's public statement (which included a reaffirmation of the Philippine relationship with the United States) on the occasion of the departure in mid-February, of President Sukarno of Indonesia following a state visit to the Philippines.

⁴ *Ante*, p. 1512.

⁵ José Yulo, Chairman of the Philippine Council for United States Aid, a Philippine Government agency established November 25, 1950, by President Quirino in accordance with the terms of the Quirino-Foster Agreement.

⁶ Eugenio Perez, Speaker of the Philippine House of Representatives.

⁷ In Toeca 134 from Manila, February 15, Mr. Checchi had described this incident in part as follows: "Press today carried garbled version routine Checchi conference with speaker [of the House of Representatives Eugenio] Perez, which was held behind closed doors. Version released by Perez orally without clearance this office. . . . Release incomplete or distorted version of a conference not an unusual technique here, but this first time used on us. Our previous meetings with Perez and other Philippine Government officials on same or similar matters have not been reported by press." (FRC Lot 53 A 278: ECA Cable File) The ECA cable file for early 1951 includes records of numerous previous conversations between Mr. Checchi and members of the Philippine Congress regarding the legislation envisaged by the Foster-Quirino Agreement.

pine Government has already enlisted 3,000 additional men and will complete enlistment another 2,000 for first additional five BCT's by April. Checchi, Yulo and I will meet the President at five this afternoon at President's invitation to clarify ECA position and as reported in another cable, Hobbs, Duque and I will meet with President at breakfast tomorrow.

President told me he had instructed Neri to direct Romulo return Manila at once inasmuch as Romulo proving ineffective in obtaining urgently required military equipment plus 50 million budgetary assistance. Also said Elizalde inquiring as to why two Philippine Ambassadors required in Washington. Also indicated irritation over Romulo's speaking engagements in various parts US and wide publicity resulting therefrom while Romulo urgently needed here both in his own department and to help bolster his (Quirino's) domestic position. When I advised that Romulo had been performing helpful and extremely important function in UN Quirino responded political committee not presently active. Quirino finally agreed that if I thought Romulo's continued presence Washington advisable he would agree further stay there⁸ but it is my impression that Romulo's present interests would be best served by his relatively early return.

COWEN

⁸ In telegram 2520 from Manila, February 23, the Embassy had reported in part that Acting Foreign Secretary Neri had, in referring to Romulo's instruction to return to Manila, deplored the word "recall" and said that Romulo was not expected to return immediately. This statement had been given the press on February 21 (Manila time). (796.00/2-2351)

S96.00-R/2-2651 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

CONFIDENTIAL

MANILA, February 26, 1951—8 p. m.

2550. For Melby, Lacy. During course our long meeting with President, Yulo, Checchi late this afternoon, Checchi stated with my prior concurrence, that he and I would regard enactment of corporate tax and exchange tax bills if not further emasculated, plus enactment of acceptable minimum wage bill plus revenue bills previously enacted as sufficiently substantial compliance with requirements Quirino-Foster agreement to justify us in recommending to State and ECA that implementation of agreement be begun through 15,000,000 now available.¹ Checchi estimates that enactment these two revenue bills will be short of desired goal by 75 to 100 million pesos. I strongly urge that this be done and detailed reasons therefor will be set forth in timetable Checchi and I shall send tomorrow.

¹ In ECA funds earmarked for the Philippines for fiscal 1951.

I hope that Checchi has learned from mauling he has received since his ill-fated talk with Perez ² to work only through Yulo and avoid further direct political meddling. He seems contrite at the moment but don't know how long this will last. I hope appointment administrator of stature can soon be made.

COWEN

² See the document *supra*.

796.5-MAP/3-1551

Memorandum by the Deputy Director of the Office of Philippine and Southeast Asian Affairs (Melby) to the Staff Assistant for Regional Programs in the Bureau of Far Eastern Affairs (Pareiman)

CONFIDENTIAL

[WASHINGTON,] March 15, 1951.

Subject: ECA Program for the Philippines.

I wish to enter a general and emphatic objection to the proposed ECA program for the Philippines.¹ Reading the breakdown ² of this program, it is apparent that it has not been thought out as an over-all program, or that it has any particular reference to specific Philippine needs. In brief, it is spread over far too much ground and would, in my opinion, only result in the dissipation of \$50 million without producing any tangible or constructive results. One gets the impression that someone sat down, listed every conceivable avenue of expenditure and then pro-rated the funds presumably to be available.

It is impossible to make any effective impact with \$50 million by dividing it between administration, public health, industrial development, agricultural production, fisheries and road building. Furthermore, a number of the recommended industrial projects would appear to be an invasion of a field more properly to be handled by private investment. Too much at this stage of the agricultural projects appear to be long-range scientific development and not enough at the start of the sort of thing which would rapidly increase basic production. For example, the item for fertilizer, which could this year raise rice production significantly, seems too small. The vague suggestions on abaca production totally ignore the basic problem in this respect, namely, land tenure and squatters. On the importation of food stuffs every single item listed falls in that category which is consumed by the wealthy classes and makes no provision for basic mass subsistence.

Rather than dissipating resources over a limitless area, which incidentally I presume would require hundreds of American staff mem-

¹ This and following underlinings are apparently the work of the author.

² Unsigned memorandum titled "The Philippines", not printed, attachment to memorandum of March 21 from Mr. Pareiman to Mr. Melby, also not printed. (796.5-MSP/3-2151)

bers, I believe attention should be focused on three or four dramatic projects which would rapidly and significantly increase basic food stuffs and also increase income and revenue-producing raw materials such as abaca. I believe a significant contribution could be made by the right kind of road program in Mindanao. Although a gold mining project has a certain understandable appeal in some quarters I suspect that Congress might take a dim view of grant aid for the industry from the American taxpayers' jeans. Finally, I believe that any such program should in the first instance be drawn up in Manila by those who are closest to Philippine problems and then submitted to Washington for consideration.

With reference to Mr. Checchi's monumental telegram³ justifying an ECA program and suggesting one of his own, this makes even less sense than the ECA presentation. Ninety percent of the telegram is devoted to a fatuous, irrelevant and in large measure erroneous, if not positively dangerous, elaboration of Mr. Checchi's views on the political and economic situation in the Philippines. His recommendation introduces the somewhat novel element of a \$100 million program for next year of which \$75 million is to be spent on imported consumer goods. I am at a loss to understand what the purpose of this is unless it be a gigantic boondoggle. Its consequences seem to me too apparent to require recapitulation.⁴

³Toeca 211, March 12, not found in Department of State or ECA cable files. Other references indicate this telegram was approximately 40 pages long.

⁴In a memorandum of a conversation held March 15 between representatives of PSA and representatives of the ECA's Far Eastern Program Division, Mr. Leonard S. Tyson, an economic officer in PSA, stated in part that the PSA representatives had emphasized that "the ECA presentation is overly weak in explaining the origin, objectives, and fundamental reasons for a large program in the Philippines. It was felt that if a \$50 million program is to be sold to the Bureau of the Budget and the Congress it will have to be in terms of the unique situation in the Philippines and our special objectives in that country". The PSA officers then suggested recasting the program justification in terms of the objectives stated in the Bell Report and the means to them outlined in the Quirino-Foster Agreement. The PSA officers suggested also that "the aid program concentrate only on the more critical aspects of the Philippine economy. "The ECA representatives agreed that it would be desirable to increase the amount programmed for resettlement, abaca, sugar, ramie and highway transportation and to eliminate the Maria Cristina [hydroelectric power] project." Both PSA and ECA officers agreed that "no real planning [could] go forward" until better technical analyses of Philippine development needs were made. Mr. Tyson went on to say:

"A recurrent theme throughout this entire discussion, however, was the fact that in all likelihood it will be impossible to effectively spend \$50 million a year in the Philippines to finance only the cost of U.S. materials needed for the development program. For example, everyone acknowledged that a major road building program is needed in the Philippines and that the cost of a reasonable program would probably range around at least \$10 million a year but that 80 percent of this cost would be in terms of local currency. The Philippines already have most of the capital equipment that would be needed for such a road program. If, therefore, a U.S. development program is to be inaugurated it will probably be necessary for the U.S. to somehow cover the local currency costs." (896.00R/3-1551)

896.00-R/3-1551 : Telegram

The Secretary of State to the Embassy in the Philippines

SECRET

[WASHINGTON,] March 15, 1951—7 p. m.

2114. Cowen from Melby. Treasury is strongly objecting to ECA program on grounds Phil dollar position increasingly favorable, hence grant program unnecessary and aid should be in form of increased and strengthened technical assistance.¹ Treasury favorable to State-Defense mil budgetary aid proposal and uses this as further argument against large scale grant program. It is likely Treasury will accept some form of compromise between grants and loans with emphasis on latter. It is possible ECA would accept comparable formula with emphasis on grants in the first year.

I have reason to believe Treasury would accept compromise involving maximum of 50 million military budget aid, 15 million ECA grants and 50 to 75 million export-import loans in first year. What do you think of this? What would Phil reaction be? [Melby.]

ACHESON

¹ A summary of a memorandum of a conversation held on or about March 13 between Mr. Tyson and Arthur W. Stuart (Chief of the Far Eastern Division, Office of International Finance, Treasury Department) reads in part as follows: "In commenting on the suggested ECA program for the Philippines, the Treasury Department noted that Philippine foreign exchange reserves have been rising, that the aggregate of the ECA program and the military aid program now under consideration probably amounts to more aid than the Philippines require, that the Philippine balance of payments position does not warrant aid on the scale proposed by ECA, and that many of the projects proposed by ECA are not necessary. Treasury therefore believes that the ECA aid program for the Philippines should be cut from \$50 million a year to around \$10 million, although it recognizes that the Foster-Quirino agreement may constitute a commitment on our part to extend a greater measure of assistance than would otherwise be required and argues that this additional assistance should be made available through loans extended by the Export-Import Bank from its own funds and on its own authority." (Memorandum of conversation not found in Department of State files; summary from S/SR Files, Lot 52-241, Daily Secret Summary for March 14.)

796.5/3-1651 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, March 16, 1951—6 p. m.

2800. For Melby. Fol considerations offered re Philippines and unofficial State proposals¹ that US Defense Dept finance part or all Philippine budgetary expenditures defense purposes:

1. Inasmuch as budgeted expenditures Philippine Dept Natl Defense fiscal year 1952 total 185 million pesos and will apparently be significantly higher in practice, US aid finance such expenditures wld

¹ For general information regarding these proposals, see the memorandum of March 29 from Mr. Rusk to Mr. Acheson, p. 1526.

clearly go long way meet Philippine budgetary difficulties and [garble] even wipe out gen account deficit fiscal year 1952.

2. Assuming adequate control US Govt over Philippine disbursements defense purposes, such budgetary aid might well improve substantially Philippine defense program.

3. On other hand, fol dangers shld be noted since believe they more than fully offset favorable aspects such proposals:

a. Dol aid cover Philippine peso expenditures wld probably remove willingness Philippine Govt effect econ, social, political measures as part ECA program. Believe such measures of major importance combatting Huks.

b. Philippine balance of payments prospects sufficiently favorable without such assistance, so that extension dols budgetary aid might well lead either to further Philippine accumulation gold and dol reserves with inflationary impact little different from deficit spending or to needless drain on [garble] resource US due Philippine imports non-essentials at time US resources subject considerable strain meet defense and other requirements. In contrast, dols made available via ECA wld be spent important objective ameliorating defense economy, social, political conditions.

c. Philippine Defense Dept now under much better management than pre-Magsaysay. In any event, believe Philippine Government sufficiently conscious anti-Huk and defense problems it will cooperate quite well admin Defense Dept in gen accord US objectives.

d. Extension dol aid meet Philippine defense expenditures wld virtually remove internal pressure increase taxes with strong likelihood over-all budgetary deficits wld rapidly recur involving probable pressure and dol aid.

4. In event Dept considers appropriate, on basis all factors, extend dol aid fin Philippine defense expenditures, recommend effort be made obtain, as minimum, Philippine agreement drop claim dols 23 million resulting 1934 [garble] revaluation.

ReDeptel 2114, March 15.² Do you mean by "50 to 75 million Export-Import loans" loans by the Export-Import Bank without reference to ECA or loans by the Bank through use of ECA funds?

COWEN

² *Supra.*

796.5/3-1651: Telegram

The Secretary of State to the Embassy in the Philippines

SECRET

WASHINGTON, March 16, 1951—7 p. m.

2130. Cowen from Melby. Does implication ur 2800 Mar 16¹ mean you recede from position in your Mar 6 ltr to me² and from your

¹ *Supra.*

² Not found in Department of State files.

views as expressed in our conversations prior your return Manila on desirability US increase its influence over Phil mil matters by financial means?

All agree mil budget aid wld have important econ repercussions which wld have to be taken into acct and carefully planned for to avoid harmful effects. Hobbs' most convincing argument is absence peso funds now for troop pay. He believes most important morale effect wld result from troop knowledge funds available if as and when needed for current expenses. He says he does not know how much wld be needed and wld have to estimate this in conjunction with you from time to time in light changing circumstances but in any event shld have it available when needed. He considers this one-time operation while econ program gets under way. Even assuming all desired legis passed and tax collection made more effective, it wld seem likely increased revenues wld only come slowly and that this form of aid needed as stopgap. Romulo claims last troop pay taken from postal money order reserves which now exhausted.

Treas Attaché³ estimate on favorable balance of payments situation FY 51 and FY 52 being used by Treas as most persuasive argument no aid program of any kind for Phils is necessary. How effective do you really think any carrot-stick combination will be in securing legis and implementation thereof except on long-range painful basis where results might be too late?

Any program export-import loans wld be coordinated with ECA program. I used export-import only to illustrate type of project I had in mind. [Melby.]

ACHESON

³ Herbert May.

796.5/3-2151 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, March 21, 1951—6 p. m.

2848. Melby from Cowen. I did not intend convey implication in reftel that I was reversing position which I took in Mar 6 ltr and expressed in conversation with you prior my return Manila. While Secretary Magsaysay has been doing exceptionally good job as Secretary Def and has we understand expressed desire use army in interests clean election next Nov, I still incline to view we shld attempt increase US influence over Phil armed forces (Embtel 2800 Mar 16¹ Deptel 2130 Mar 16).² We wld not wish push such program at expense

¹ Ante, p. 1518.

² Supra.

weakening embarrassing or alienating Magsaysay; on other hand, while Quirino's removing him wld deal heavy blow to confidence in his own administration, we cannot base policy on assumption Magsaysay will certainly retain his present post indefinitely. While we must continue use carrot and stick as instruments policy results thereof—as you suggest—are achieved slowly and painfully. I think one important alternative instrument is employment carefully-chosen personnel not merely in top advisory jobs, but also at lower levels. I think for instance that we shld move faster on getting numbers advisers at work in middle levels Phil Govt tax collection agencies: I am told few men already here are having engage such tasks as scrounging filing cases and having bundles tax-returns, which were gathering dust in helter-skelter piles, untied and arranged in alphabetical files. Obviously a few top level advisers are not enough—they cannot begin to advise until situation can be brought into some kind of order and assessed. I have impression one of reasons Hobbs has been getting better results than his predecessors is because he has been having his men go out to the provinces in order come to direct grips with the similar problems of the Phil mil establishment.

Use budgetary aid as another means increasing our influence over Phil Govt is more complicated business and I shld feel better about it if I knew all available facts and if we examined pros and cons now, rather than after decision made. Some of considerations which have been troubling us were outlined our reftel. Another which we did not mention relates your remark that Hobbs considers our extension budgetary aid as one-time operation: so long as we continue series one-time operations Phil Govt will postpone unpleasant business of standing on own financial feet. Moreover, proceeding to question of implementation, I wonder to what extent such extension aid wld actually give us additional influence or control and what mechanics wld be. As far as I can see, it wld require grave considerations indeed to make us shut off financial aid part way through program of such assistance. It seems to me chief way in which aid might serve as useful lever wld be by giving us voice in determining what money shld be spent for. Thus if Phil Govt agreed to and we financed program under which all provincial police and civil guards were incorporated into armed forces and brought under army discipline, result shld be favorable to govts program gain support civilian population in troubled areas. It might also prove helpful—if carried out soon enough—in improving chances for honest elections next Nov, both because army wld be less likely be misused than those police and because with larger armed forces at his disposal Secretary Def wld probably be able spare some troops for protecting voters next Nov. Of course there is always possibility that we wld be disappointed in those expectations through stalling by President, employment by provincial auth just before

elections of temporary special police, misuse by local auth of town police or by other means.

I also wonder how we wld translate dol aid into pesos required meet expenditures such as troop pay and maintenance; I assume aid wld need tke form increased US imports if inflationary results are to be avoided.

Whatever the objections raised to budgetary aid, I wld be unwilling accept responsibility for decision which resulted in Phil Govt being forced let troops go unpaid. However, I think we will not want merely accept Romulo's say-so on this and I am asking Treas Attaché study question of govts ability financially support its present and planned mil establishment now and in months immediately ahead. Treas Attaché advises that on basis incomplete data and on basis lengthy discussion with Cuaderno³ Mar 20 Phil Govt probably will be able finance prospective mil and other expenditures until Sept or Oct without recourse new bank loans; if so need for US budgetary aid obviously not immediate. However, Treas Attaché wishes complete more intensive study this problem before making definite assertion foregoing expects to do so two or three days. Incidentally, if Treas is using balance payments situation as argument against aid, it seems to me be most unfair. We persuaded Phil Govt inaugurate drastic controls as precondition for aid and I fail see how we can now turn around and use argument of favorable balance achieved thereby as reason for withholding that aid. This connection it shld also be recalled that favorable balance was achieved by denying Phil economy essential goods such as replacement parts for machinery and tracks so that position is much like that of man who builds up his bank balance by not paying his bills.

COWEN

³ M. Cuaderno, Governor of the Central Bank of the Philippines.

896.00-R/3-2351 : Telegram

The Secretary of State to the Embassy in the Philippines

CONFIDENTIAL NIACT WASHINGTON, March 23, 1951—7 p. m.

2208. Cowen from Melby. Most grateful for your recent mil econ tels to me which have been most helpful to us. You are about to receive joint State-ECA request for joint views on grant versus loans problem.¹ FYI only you may find fol helpful in coordinating reply.

Grant versus loan argument arose over sudden Treasury concern at rate at which US gold reserves diminishing and prospects trend will continue as Jap and Ger situations develop. Treas then adopted rigid

¹ The request was contained in Ecato 236, also of March 23, not printed.

view grant aid must be denied any country having favorable balanced payments picture. Treas prepared however recede from this position whenever we believe pol considerations sufficiently compelling override econ factors. This particularly true in case Phils. In addition Budget Bureau received its instrs scrutinize grant aid programs to Asia with view maximum reduction. Defense not adverse reduction econ programs presumably with idea such trend wld increase prospects for mil aid. Although we agree plausible case can be made for reducing grants on econ basis fact remains we do have certain commitments explicit or implicit wherein failure to perform will damage our position.² If you and Checchi can present sufficiently strong case likelihood is aid will be grant for FY 52 with shift into loans subsequently.

Present inquiry arose yesterday in Interdepartmental Steering Comite for aid programs which tentatively took the position for Phils of 25 million grant and 25 million loan which Export Import indicated it was prepared undertake at once. In preparing your reply you may wish advance as your suggestion that if some compromise is necessary most acceptable formula wld be total FY 52 aid program of 50 million on which an unspecified portion cld be loans for specific projects if US and Phils subsequently agree desirable for specific purposes. [Melby.]

ACHESON

² In a memorandum of March 22, to Mr. Rusk, Mr. Lacy had stated in part: "PSA will support the present ECA proposal for \$50 million in grant aid to the Philippines on the following basis:

(a) There is as yet no firm military program, and the development of one would be merely one of many contingencies which may require a revision of our position on economic aid to the Philippines;

(b) It is politically intolerable to propose that the \$50 million or any part thereof be made the subject of loans rather than grants." (896.00R/3-2251)

896.00-R/3-2651 : Telegram

The ECA Special Representative in the Philippines (Checchi) to the ECA Administrator (Foster)

CONFIDENTIAL PRIORITY MANILA, March 26, 1951—6 p. m.

Toeca 251. Joint Embassy-ECA message. Reference: Ecato 236.¹

(1) Our view is that loan proportion in proposed aid is much too high. Suggest strongly that in first year, at least, all of aid given be on grant basis. Base this opinion on fol:

(a) Gen impression prevailing Phil Govt and business circles is that all or bulk first year's assistance wld be on grant basis. This based on tenor Quirino-Foster conversations and observation ECA

¹ Not printed.

operations elsewhere, particularly China, Taiwan and South East Asia where most of US assistance and all ECA assistance has been on grant basis.

(b) Terms exacted from Phils as precondition aid and as spelled out in Quirino-Foster agmt have been more strict than for other countries receiving ECA aid. Phils cognizant of this. To treat Phils now with this generosity in matter of loan grant ratio wld arouse serious anti-American sentiment and in our view not be justified by savings involved.

(c) Our concept of type program that can be most effective here is one requiring heavy expenditures local currency. Most difficult and probably impossible carry out this type program without aid substantial counterpart fund. Creation such fund depends on aid being in form grants.

(d) Problem here in large part one of seeking exercise leverage on Phil Govt to adopt and enforce needed economic policies. This, in terms political institutional realities, impossible unless we in position dispose substantial amt grants and counterpart—well as other pre-requisites such as numbers able technicians.

(2) Our joint urgent recommendation is that, if aid that to be made available first year is on order of magnitude of \$50 million, it shld all or nearly all be in the form of grant. Believe otherwise wld be impossible, in light realities situation, run the only kind of program that wld stand chance being effective in realizing necessary reforms and tangible mass benefit.

(3) Our view also that \$50 million the first year represents rock bottom minimum that is needed exercise necessary leverage and carry through effective program. Wld feel more confident if more than this amt cld be made available, not necessarily earmarked for Phils, but available in ECA hand for use here if situation warrants.

We wld suggest that if absolutely necessary include loans most acceptable formula wld be total FY 1952 aid program of minimum \$50 million of which unspecified portion cld be for loans for specific projects.

CHECCHI

796.5/3-2751 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, March 27, 1951—5 p. m.

2913. For Melby. I flew to Baguio this morning accompanied by General Hobbs, JUSMAG, and Herbert May, Treasury Attaché planning to discuss contemplated aid program and Phil budgetary position with Quirino after Hobbs had made his report on his recent trip to Washington. Quirino opened conversation by asking if Hobbs had brought him good news. Hobbs stated that as result his efforts Dept Defense had arranged to expedite deliveries wherever possible and

that pursuant to Quirino's request made day prior his departure for Washington he had advised Defense, State, Treasury of Quirino's desire for 50,000,000 budgetary assistance and that while no decision had been reached prior his departure he personally expected that there wld be some such aid which if given wld be channeled through JUSMAG if and when required. Hobbs also said Washington concerned over continuation Castaneda and Ramos in present positions and advised Pres of reports emanating from Washington that Castaneda is representing that on his return he wld either continue as Chief of Staff or in post Secy Defense. Hobbs also pointed out that Castaneda family still living in residence Chief of Staff of Camp Murphy and that General Ramos and family are still occupying residence of chief of constabulary and that all these factors contribute to unrest and uneasiness on part officers Phil Armed Forces. Quirino asked if Washington preferred to believe these rumors as against his previous assurances to us of retirement Castaneda on Castaneda's return to Manila and on retirement Ramos when possible. Also asked if Secy Marshall had confidence in him Hobbs studiously replied that Secy Marshall wanted to have confidence in him and hoped for manifestations here which wld justify such confidence. Hobbs also spoke of Washington's concern as well as our own concern over lack of aggressive law enforcement particularly in military cases. Quirino again stated we knew he had only sent Castaneda to Washington as means easing him out and then few moments later in emotional outburst said that if US did not choose to help Phils the Phils wld have to get along without US aid and that he wld immediately telegraph instructions to Romulo, Castaneda and other members mil mission to return Manila at once inasmuch as they had failed in their mission. Hobbs immed pointed out that as he had heretofore repeatedly informed Quirino, FY 1951 and FY 1952 aid programs long since scheduled¹ and that inasmuch as mil mission actually had no mission to fulfill it cld not properly be charged that they had failed in such mission and also called Quirino's attention to statement of but few moments previous that Castaneda had been sent only as means egress.

I had suggested that Romulo had been very helpful since return Washington mid-Jan in UN matters and was also apparently making an impressive presentation Phil position re reparations. Quirino petulantly replied that as to UN matters Romulo had been of help to US not to Phils and that as to reparations he had not been made to make any representations of the kind he had been making and that he particularly had not been authorized to write and deliver recent letter to Amb Dulles on such reparations.

¹ That is, the military aid programs for those years.

Magsaysay was present during all of this. Today's outburst was comparable with that of day prior my return Washington just year ago during negotiations for economic mission at conclusion of which he told me to "bring back my happiness or don't come back at all," meaning by phrase "his happiness" a joint mission. It was obvious at this point that it wld be useless to attempt to discuss anything with him which had to do with any arithmetic beyond the 50,000,000 budgetary aid which seems to be his sole concern so I found pretext to ask Hobbs, May and Magsaysay to excuse themselves after which I was able calm him down a bit. His parting word was that if I wld do my part, which I interpreted as meaning getting him the 50,000,000 budgetary aid, he wld do his part, which I took to mean that he wld retire Castaneda upon his return. He has still made no commitment as to Ramos except to indicate that Magsaysay cld, if he so desired, arrange to have Ramos family moved out of the constabulary chief of staff residence.

All of foregoing adds up to just one thing in my opinion and that is that we must control to the maximum degree every centavo of aid of any character which we send into this country during Quirino incumbency and if any reforms are to be effected it will largely come through competent technical advisers scattered profusely through all strategic Phil Govt depts and agencies. Also added to the fact that in view of utter hopelessness of expecting any continuity of constructive performance from Quirino we must exert every effort through every medium to continue to attract support and maintain affection of Phil people in gen.

Hobbs handled himself magnificently and with great patience and restraint throughout and I thought particularly at point when Hobbs expressed hope this morning's talk wld be treated in complete confidence and particularly with respect newspapers and Quirino replied that he wld be ashamed to report it, meaning of course, what he regarded as entirely unsympathetic attitude of US toward him and toward Phils.

COWEN

796.5/3-2951

Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] March 29, 1951.

Problem:

To expedite decision by the Joint Chiefs of Staff on partial American military subsidy of Philippine military expenditures.

Discussion:

President Quirino has requested a \$50 million budgetary grant to the Philippines to be used to pay for expenses of Philippine armed forces. General Hobbs, Commanding General of JUSMAG, supports this request as a one-time operation in an amount not to exceed \$50 million to be made available to him for disbursement in consultation with Ambassador Cowen and in such amounts as they deem necessary to assure that the Philippine troops are paid and properly maintained. General Hobbs believes the amount actually necessary may fall considerably short of the actual request. He believes this grant should be made for use until the impact of the ECA program and implementation of reform legislation now being passed enables the Philippine Government to bear Armed Services' expenses without harmful effects to the economy. I agree that this request should be granted at once.

Some days ago I discussed the matter with General Marshall, who agreed in principle. The Department of Defense finds it has \$10 million which could be made available for the balance of the current fiscal year. The matter is now before the Joint Chiefs of Staff for their views. I understand that their report will probably be favorable but that it may not be forthcoming for another three weeks or possibly one month because of the priority which has been assigned to the project.

When General Romulo returned to the United States last January, President Quirino designated him as the head of a military mission to secure this aid. President Quirino is now becoming restless at the lapse of time and considers that Romulo has failed. He, therefore, wishes him to return to Manila at once. It is our view that he should return early in April because his political position in the Philippines is becoming progressively and seriously weakened in his absence. The interests of the United States require that his position be strengthened and remain so because he is a sincere friend of the United States and because he is one of the few leading Filipino politicians who has important influence over Quirino. Unless Romulo can take something back with him, his political position will really be in serious jeopardy. It is our view that he should take back the military budgetary aid with him in order to reestablish his position and that he should be able to do so before the end of the first week in April. Given the complete unpredictability of Quirino's moods and the really serious domestic pressure he is under, due to an alarming step-up in Huk activities, he is quite capable in his frustration of taking some unfortunate step which would seriously affect Philippine-American relations unless he gets some early and tangible evidence of American support.

Recommendation:

In the light of the foregoing, it is recommended that you call Secretary Marshall and request him to ask the Joint Chiefs of Staff to report on the Philippine military proposal next week.¹

¹ A marginal notation on the source text reads: "Mr. [H. Freeman] Matthews [Deputy Under Secretary of State] has expressed his concurrence, 'with reluctance', on the basis of the first two paragraphs. A[aron] S. B[rown], Special Assistant to the Deputy Under Secretary)".

In a memorandum of April 6, to Mr. Rusk, Francis E. Meloy, Assistant to the Director of the Executive Secretariat, stated that the Secretary had said he had shown General Marshall the memorandum and that the latter had not indicated his reaction. (796.5/3-2951)

In his memorandum of a conversation held with Secretary Marshall, April 13, Mr. Rusk wrote: "I raised with General Marshall our deep concern over the disapproval by the Joint Chiefs of Staff of certain budgetary aid to Philippine armed forces. General Marshall had not yet been apprised of this action. I strongly urged that he reopen the matter and that, as a minimum, he attempt to arrange to proceed with the allocation of funds on the order of \$10,000,000 for the present fiscal year while we discuss further the action we should take during 1952 fiscal year. General Marshall said that he would look into the matter right away." (796.5/4-1351)

Documentation revealing the timing of, and the reasons for, the JCS decision just mentioned has not been found in Department of State files.

Lot 60 D 137: Files of the National Advisory Council on International Monetary and Financial Problems

*Memorandum by the Secretary of the Treasury (Snyder) to the President*¹

CONFIDENTIAL

[WASHINGTON,] April 5, 1951.

The Philippine Congress on March 23, 1951, enacted for a period of two years a tax of 17% on sales of foreign exchange² for certain purposes. This enactment has been approved by President Quirino. The submission of this legislation for your approval is required under Article V of the Executive Agreement of July 4, 1946, between the United States and the Republic of the Philippines regarding the value, convertibility and transferability of Philippine currency in relation to the currency of the United States.³ Consistent with the requirement of the Executive Agreement, a communication⁴ has been received by the Secretary of State from the Philippine Ambassador to the United States, the Honorable Joaquin M. Elizalde, requesting that your agreement be given to the imposition of this tax by his Government.

The enactment of the tax measure referred to is in accord with the recommendations of the Economic Survey Mission to the Philippines,

¹ The source text is attachment B to NAC Document No. 1121, April 10.

² Signed by President Quirino on March 28.

³ For text of the Agreement concerning trade and related matters, signed at Manila July 4, 1946, see 61 Stat. (pt. 3) 2611.

⁴ Of April 2, not printed.

and is a step taken in implementation of the agreement of November 14, 1950, between your representative, Mr. William C. Foster, and President Quirino. Accordingly, the National Advisory Council recommends that your approval thereof be given. There is attached for this purpose a statement⁵ for your signature agreeing to the imposition of this tax.

Notification of your approval will be given to the Philippine Government by the Secretary of State.

JOHN W. SNYDER
Chairman
National Advisory Council on
*International Monetary and Financial Problems*⁶

⁵ Not printed. President Truman signed it April 6.

⁶ Mr. Snyder held this post *ex officio* as Secretary of the Treasury.

Editorial Note

On April 6, 1951, President Quirino signed minimum wage legislation enacted by the Philippine Congress. Previously in 1951 the Philippine Government had passed into law income tax and foreign exchange tax measures. These actions were interpreted by the United States as "completing substantially the legislative action set forth" in the Quirino-Foster Agreement. (Remarks made by Mr. Foster to Secretary Romulo in Washington April 6 and made public that same day; transmitted to Manila in Ecato 271, April 9; FRC Lot 53 A 278.) A message to this effect from President Truman to President Quirino, not printed, was transmitted by the Embassy in Manila on April 10. (Enclosure to memorandum from Mr. Rusk to Mr. Acheson, April 6, 896.00 (R)/4-651.)

On April 9 Mr. Foster authorized establishment of a Special Technical and Economic Mission (STEM) to the Philippines, and designated Mr. Checchi its Acting Chief.

796.5-MSP/4-2351

Memorandum by the Executive Director of the Executive Secretariat
(McWilliams) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] April 23, 1951.

I have talked with Mr. Cabot's¹ office with respect to the \$10 million for the Philippines. The original memorandum from which you talked to General Marshall specified that the \$10 million would be

¹ Thomas D. Cabot, Director for International Security Affairs.

made available from Defense funds. Subsequently the proposal was made that the funds be made available from MDAP funds rather than Defense funds and for this reason the program came under the jurisdiction of Mr. Cabot.

Mr. Cabot's difficulty in proceeding with the matter to date has been a lack of information and justification for making this sum available for the Philippines. General Maloney,² of the Defense Department, is in possession of the information and justification and Mr. Cabot is meeting with him early this afternoon to go over the matter.

Mr. Cabot also informs me that information has come from the Treasury via a telephone call from Manila Friday night that the Philippines are in much better financial condition than had been anticipated and in fact there may be a \$20 million sum available to them on which they had not counted.

Mr. Cabot requested permission to proceed with his meeting with General Maloney early this afternoon to develop the facts fully and then meet with you at 4:30 p. m. together with Messrs. Merchant³ and Thorp.⁴ I told Mr. Cabot I felt this procedure would meet with your approval and accordingly I have scheduled the meeting at 4:30 p. m. in your office.⁵

W. J. McWILLIAMS.

² Maj. Gen. Harry J. Malony, Consultant on Southeast Asian Affairs in the Department of Defense and that Department's representative on the Southeast Asia Aid Policy Committee.

³ Livingston T. Merchant, Assistant Secretary of State for Far Eastern Affairs.

⁴ Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

⁵ A handwritten marginal notation on the source text reads: "Meeting held. S[ecretary] approved [\$]10 mill[ion] to Philippines. W[illiam] J. M[c-Williams]".

Editorial Note

On April 24, 1951, the ECA appealed previous action taken by the Bureau of the Budget with regard to the proposed fiscal 1952 \$50 million grant aid program for the Philippines. Sometime after the Budget Bureau hearing on the matter, held March 30, the Bureau had recommended that the total be reduced to \$25 million on the grounds that \$15 million in grant aid was already available for fiscal 1951 and that other funds were available to the Philippines in the form of Export-Import Bank loans.

In telegram 3020 from Manila, April 4, Ambassador Cowen, who had received instruction to determine the attitude of the Philippine Government toward a combined grant and loan program, stated:

"During past few days I have separately found occasion to sound out both Quirino and Yulo as to acceptability to Phil Govt of a part grant part loan aid program without of course going into any detail on possible proportions. I found no resistance from either as to this general approach." (896.00-R/4-451)

However, in telegram 3195 from Manila, April 16, sent jointly by the Ambassador, Mr. Checchi, and Mr. May, the combined U.S. civilian agencies in the Philippines recommended that if \$50 million were to be the total fiscal 1952 program, at least \$45 million should be in grant aid. They argued that since the Philippine Government had now passed the major legislation required by the Quirino-Foster Agreement, the U.S. would put itself "by cutting grant aid in untenable position of welching on at least implied commitment." The ECA program was intended as a "lever" with which to encourage the Philippine Government to enact reforms specified in the Bell Report. There was less leverage in loans than in grants. Many influential Filipino politicians were stressing that their country had been asked to fulfill more preconditions to aid than had others in the area. A cut in grant aid might fuel resentment of this fact, a development which could be fatal to the entire aid program. A reduction in grant aid would also create difficulties by automatically reducing counterpart funds. "Most basic projects for example agricultural reform road bldg credits to homesteaders etc. depend much more on peso expenditures than on dollar contribution." In future years, the proportion of loan to grant aid might gradually be increased as the ECA program took hold.

The telegram concluded: "Embtel 3020 shld not be interpreted as being counter this recommendation but only as tentative probe of possibilities if comparatively small portion of first years funds were to be made available as loans. It does not take account possible public reaction or delve into loans as means leverage." (896.00-R/4-1651)

In its appeal of April 24, the ECA recommended "after inter-departmental consideration of the Bureau's action" restoration of \$10.4 million of the \$25 million previously cut from grant aid. ECA, in explaining the criteria for restoration, stated: "Since the capital development projects were eliminated by the Bureau on the premise that they were bankable and in view of their strong position against attempting to retain them on a grant basis, we have, in the revised program, in effect restored non-capital goods items which were contemplated in the original Bell Program so as to restore the Philippine grant program to the minimum for effective impact."

ECA summarized its requests in tabular form as follows:

PHILIPPINES

ECONOMIC PROGRAM

<i>Project</i>	<i>Budget Submission</i>	<i>Revised Allocation</i>	<i>Re- submission (Appeal)</i>
	(Thousands of dollars)		
A. <i>Emergency Relief</i>	—	—	—
B. <i>Public Health</i>	\$2, 208	\$2, 250	\$2, 250
Training and Research	310	300	300
Health Teams	1, 153	1, 200	1, 200
Maternal and Child Care	267	275	275
Sanitation	310	300	300
Quarantine	168	175	175
C. <i>Agriculture, Forestry, Fisheries</i>	13, 902	11, 100	14, 900
<i>Training, Research, Experimentation</i>			
Experimentation and Research	821	150	150
Department of Agriculture	1, 825	1, 825	1, 825
Extension Service	75	75	75
Cadastral and Soil Surveys	200	200	200
<i>Irrigation and Reclamation</i>	2, 000	2, 000	3, 000
<i>Disease Control</i>			
Kadang-Kadang	200	200	200
<i>Abaca Production</i>			
Nursery	250	250	250
Mosaic Disease Eradication	250	250	250
<i>Supplies and Equipment</i>			
Fertilizer	3, 040	3, 000	3, 000
Agricultural Machinery	1, 400	1, 400	1, 400
Seeds and Animal Stock	800	800	800
<i>Rural Credit and Assistance</i>	500	500	2, 500
<i>Forestry</i>			
Equipment for Forest Laboratory	100	100	100
Forestry Nursery	200	200	200
Forestry School	156	150	150
<i>Fisheries</i>			
Vessels, gear and refrigeration	645	—	—
Canning	640	—	—
Fish Ponds	800	—	800
D. <i>Transportation, Communications, Power</i>			
<i>Other Public Works</i>	10, 150	3, 000	6, 750
<i>Transportation</i>			
Railroads	750	—	750
Highways	4, 000	100	2, 100
<i>Power</i>	2, 500	—	—
<i>Public Works</i>			
Water Supply Systems	500	500	500
Flood Control and Drainage	400	400	400
Resettlement	2, 000	2, 000	3, 000

<i>Project</i>	<i>Budget Submission</i>	<i>Revised Allocation</i>	<i>Re- submission (Appeal)</i>
	(Thousands of dollars)		
E. <i>Manufacturing, Mining, Other Industry</i>	7, 250	400	500
<i>Manufacturing, Other Industry</i>			
Miscellaneous Manufacturing	2, 129	—	—
Handicrafts	500	250	250
Industrial Surveys	—	—	100
<i>Mining</i>			
Surveys	171	—	—
Development of Strategic Materials	300	—	—
School of Mining Industries	150	150	150
F. <i>General Engineering Advisory Services</i>	—	—	—
G. <i>Information</i>	—	—	—
H. <i>Education</i>	500	500	500
Technical Assistance to Department of Education	150	150	150
Assistance to Elementary Education	350	350	350
I. <i>Public Administration</i>	500	500	500
J. <i>Other Commodities</i>	15, 490	7, 250	10, 000
<i>Totals</i>	\$50, 000	\$25, 000	\$35, 400

("Appeal of Budget Markings on Philippine Economic Program", undated, unsigned enclosure to a memorandum of April 24 from Mr. Griffin to Mr. Bissell, not printed; FRC Lot 53 A 441: ECA Deputy Administrator's Files.)

In Ecato 486 to Manila, May 24, approved by Mr. Griffin, the ECA stated that the Budget Bureau had granted the agency's appeal for \$35.4 million in grant aid [on a date unspecified] and continued in part: "These funds are illustrative and at present confidential and Phils cannot consider this firm amount even after Congressional appropriations. These funds to be considered fluid within Asia and Pacific total area request of \$375 millions, but we believe will be completely available grant programming on suitable fiscal '52 projects. Actual amount on loan basis through ExIm Bank not determined as yet but policies for integration being worked out and formal note to Phil Govt in process. . . . this . . . is for your information and cannot be transmitted to Phil Govt at this time." (ECA Cable Files: FRC Lot 53 A 278)

796.5/4-2551

*Memorandum by the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant) to the Secretary of State*¹

SECRET

[WASHINGTON,] April 25, 1951.

Subject: Stationing of Additional American Troops in the Philippines

Discussion

The Department of State draft of the new Asia policy paper, presently being considered by the NSC,² contains a recommendation that additional American troops be stationed in the Philippines. The Department of Defense representatives opposed this recommendation. Twice since the beginning of the year Mr. Rusk has discussed the matter with General Marshall who on both occasions has expressed his approval, though he seemingly has not so informed his staff who profess unawareness of his views. I believe it would be desirable to seek some clarification on this question.

The question of stationing American troops in the Philippines has been casually considered over the past year or two. Last summer the MDAP Mission to Southeast Asia recommended that it be given the most serious consideration. President Quirino on his own initiative expressed his wholehearted approval to the chairman of the mission. I believe the suggestion has enough merit to warrant detailed consideration. Although much progress has been made on security questions in the Philippines, I think it must necessarily be some time before action now being undertaken can be expected to have decisive effect. In the meantime, there are few things which the Communists could do in Asia which would be more damaging to the American Far Eastern position than to throw the Philippines into total chaos. Any such eventuality in view of our unlimited commitment to the Philippines could well compel us to the final disastrous³ alternative of military reoccupation which, for obvious reasons, should be avoided if at all possible. I believe that stationing American troops in the Philippines would be a desirable preventative step.

Recommendation

That you sign the attached letter to the Secretary of Defense, requesting his views on this problem.⁴

¹ Memorandum drafted by Mr. Melby.

² Reference is to a draft of what became NSC 48/5, "United States Objectives, Policies, and Courses of Action in Asia", approved by President Truman May 17. For text, see p. 33.

The draft mentioned has not been found in Department of State files.

³ This word is pencilled out in the source text.

⁴ There is no indication in Department of State files that the mentioned draft letter, or a later draft of May 10, also attached, was sent to Secretary Marshall.

796.5-MAP/4-2551

*The Director of International Security Affairs (Cabot) to the
Secretary of Defense (Marshall)*

TOP SECRET

WASHINGTON, April 25, 1951.

MY DEAR MR. SECRETARY: I approve in principle the allocation of \$10,000,000 from funds available under Section 303 of the Mutual Defense Assistance Act ¹ for use in the Republic of the Philippines. As indicated in your letter of April 19, 1951,² these funds are to be available as a surety that the Armed Forces of the Philippines continue to be paid and maintained through the existing difficult internal situation.

Since the \$10,000,000 is in the nature of a surety and might not be used if the Philippine budgetary situation continues to improve, I suggest that the President be requested to allocate the funds to you to hold available in the United States for instant use in the Philippines when and as you believe such use is justified. The financial mechanics for quickly transferring these funds from time to time for possible use in the Philippines should be worked out immediately by a group of experts on Philippine foreign exchange matters. I recommend that such an expert group be set to work on this problem.

The Secretary of State informed me that he is prepared to recommend to the President the allocation of \$10,000,000 to you for use in the Philippines. The appropriate papers are being prepared as a matter of urgency for transmittal to the President through the Bureau of the Budget.³

I hope that this possible use of \$10,000,000 of MDAP funds for the direct support of the Armed Forces of the Philippines will be unique in character and non-recurring in the future. As you observed in your letter of December 29, 1950 transmitting to the Secretary of State a copy of General Romulo's request for \$50 million of aid for the Philippine Armed Forces,⁴ this matter should be carefully coordinated in order to avoid conflict with the budgetary and fiscal measures which the United States has been pressing the Philippines to adopt by virtue of the Bell Mission recommendations and the Quirino-Foster agree-

¹ For text of the Mutual Defense Assistance Act approved October 6, 1949, see 63 Stat. 714.

² Not found in Department of State files.

³ President Truman approved this allocation on May 9. His statement at that time has not been found in State Department files. It was, however, quoted in part in a later draft letter to the President: "You approved the allocation of these funds 'to provide a surety that the Armed Forces of the Philippines continue to be paid and maintained through the existing difficult internal situation and until other United States Governmental Agency programs designed to improve the political and economic conditions in the Philippine Islands may become effective'". (Draft of letter from Mr. Foster (by then Acting Secretary of Defense) to President Truman, enclosure to letter of December 29, 1951, from Mr. Foster to Secretary Acheson; 796.5-MSP/12-2951).

⁴ Not printed.

ments. I believe the recommendations I have made above will avoid the kind of conflict you mentioned.⁵

Sincerely yours,

THOMAS D. CABOT

⁵ In telegram 2552, to Manila, April 25, which originated in S/ISA and was cleared by Mr. Merchant for FE and General Malony for the Department of Defense, the Department quoted most of the second paragraph of this letter and concluded: "You may in your discretion inform Quirino and Romulo of the foregoing, impressing upon Quirino both that this action (a) contradicts established US principle of administering US aid funds and (b) taken this one time only because of unique Phil-Amer relations". (796.5-MAP/4-2551) In telegram 3389, from Manila, April 27, Ambassador Cowen stated in part that he was planning to carry out this instruction. (796.5-MAP/4-2751) Secretary Romulo had returned to the Philippines April 22.

796.001/2-1551

The Secretary of State to the Embassy in the Philippines ¹

SECRET
No. 186

WASHINGTON, April 25, 1951.

The Secretary of State informs the Officer in Charge that the Embassy's secret despatch No. 1194 of February 15, 1951,² entitled "Countermeasures Against Philippine Communist Party" has been read with great interest. The authors of the despatch are commended on their initiative in developing a plan of action. The Department has been thinking along similar lines and expresses below its opinions on the various numbered proposals presented in the Embassy's despatch.

I. Honest and Peaceful Holding of November 1951 Elections

This problem was previously brought up in the Embassy's despatch No. 1009 of January 15, 1951³ and was answered by the Department's instruction No. 141 of February 9, 1951.³ We believe it essential that the Philippine Government and people realize that the United States will be watching very closely both the 1951 and 1953 elections and that a repetition of the coercion and graft practiced in the 1949 elections would result in our giving serious consideration to the suspension of further economic and military aid. The Embassy's comments on how to convey this impression without seeming to threaten would be appreciated. We are tentatively of the opinion that it would be better not to state this position to any Philippine Government official but rather to convey the idea by means of discreet conversations with editors of the local newspapers. We have found Quirino particularly sensitive to the press. It would be extremely in-

¹ Drafted by Mr. Wanamaker and cleared by Mr. Melby.

² *Ante*, p. 1505.

³ Not printed.

teresting, also, to note the reaction of readers in the provinces to a suggestion that might appear, for example, in the *Philippine Free Press* to the effect that Army detachments should be used to maintain order at polling places.

II. *The Philippine Government Should In So Far As Possible Be Influenced To Follow More Enlightened Policies*

We hope to insert as many technicians as possible in the different Philippine Government departments. Although their influence will depend largely on their own ability and tact, they should be able to make graft and corruption at least more difficult. In the more flagrant cases we might withhold funds earmarked for the particular department in which the "anomaly" is occurring.

We agree that Romulo would be the best man to have at Quirino's elbow. He expects to return to the Philippines in the near future.

III. *Land Redistribution*

We strongly believe that the only way to beat the Communists is to show our ability to carry out under democratic processes those reforms they advocate which are worthwhile. Land redistribution is one such reform and should be combined with a resettlement program in Mindanao. The Department would appreciate any information the Embassy might have on the cost of buying up and redistributing estates in central Luzon and any suggestions the Embassy may wish to make in this regard. Although the ECA budget has made provision for a resettlement program, no funds have been allotted for the purchase of estates. However, since the projects listed were illustrative only, the fact that the budget did not include a land distribution program does not prevent one from being carried out. We believe, however, that a very careful, detailed survey of the lands and number of people affected would have to be made first.

IV. *Land Reclamation*

The draining of the Candaba swamp would be a dramatic project. The Department will be interested in any studies that may be made as to its feasibility and cost or the possibility of using part of the swamp for fishponds in accordance with paragraph 5 of the Embassy's telegram No. 3034 of April 4, 1951.⁴

V. *Labor Problems*

We believe that considerable progress has already been made in this field: for example, the minimum wage law and the visit to the Philippines of Deverall of AFL and Schular of CIO as reported in the Embassy's despatch No. 1376 of March 23, 1951.⁴

⁴ Not printed.

VI. *Reforms of Principally Financial Character*

(1) *Inflation*. The tax increases recently enacted, ECA's plan to import a large quantity of consumers' goods, and Governor Cuaderno's recent press statement regarding the increasing of foreign exchange for imports are steps in the right direction.

(2) *Import Controls*. Commerce, ECA, and State are giving number one priority to the task of finding an import control expert who can be available in time to be of use in the drafting of new import control legislation. We also think experts are needed in the Import Control Bureau itself to improve its efficiency and make corruption more difficult.

(3) *Income Tax Enforcement*. ECA is looking for experts in this field.

(4) *Technical Assistance*. We agree.

VII. *Military and Quasi-military Suggestions*

(1) and (2). The Department hopes that the Embassy can persuade JUSMAG to recommend: 1. formation of plans to safeguard the Philippine armed forces against Communist propaganda and infiltration; 2. stressing catching Huk "expansionista" units.

(3) The Department is discussing with Defense the amendment of the basic directive to JUSMAG so as to permit the assignment of United States officers to duty as field observers and to permit JUSMAG's expansion as needed. General Hobbs has stated that some such assignments have already been made.

(4) Advice to the Philippine Government on the removal of civilians from areas of operations can best be given through JUSMAG. Has the Embassy discussed this matter with JUSMAG?

(5) We have been informed that JUSMAG already is carrying out covertly "Operation Blotter" designed to acquire loose arms. We would appreciate learning what progress has been made thus far and what suggestions the Embassy has to offer as to larger scale operation of such a program.

VIII. *Use of Mass Media*.

We are planning to use in fiscal year 1952 approximately \$500,000 in Point IV funds on a program to send out young American school teachers, preferably in couples, to rural areas in the Philippines to teach in the elementary schools. We would prefer to concentrate them in one or two areas so that a greater mass impact could be obtained, for example, central Luzon if then possible from a security standpoint, and Negros. Besides teaching in elementary schools these American school teachers would also be able to teach the rudiments of sanitation and improved farming methods to adults, could assist in the distribution of ECA fertilizers, could provide the Embassy with a great

deal of information, and could assist in distribution of USIE materials.

The Department's A-625 of April 2, 1951,⁵ in reply to the Embassy's despatch No. 894 of December 26, 1950,⁵ discusses the Department's program for distribution of a limited number of cheap radio sets.

We believe that full use should be made of mass media to present examples of peaceful democratic elections and to emphasize the importance of free elections to free societies. The movie *Tuesday in November* is an example of this type of material. Naturally, the Embassy should emphasize to its mobile unit operators the absolute necessity of avoiding associating USIE films or other materials with any local political campaigns.

Mass media will also be most important in conveying to the Philippine people the steps being taken by the United States to improve their economic situation. It is hoped that ECA and USIE information officers can work out pamphlets in the simplest language possible to explain to ordinary people just what ECA is and just what the United States Government is hoping to accomplish in the Philippines. It would be most worthwhile to try out such a pamphlet in one of the local languages on a representative group of farm tenants. In view of the low level of literacy, it might be advisable to prepare such a pamphlet for the use of school teachers in explaining our program to their barrio neighbors.

The Department's exchange of persons program is contributing already to the improvement of the Philippine educational system, principally at the university and teacher training level and more recently at the vocational school level. Future plans include exchange of personnel in the labor field.

⁵ Not printed.

Editorial Note

On April 27, 1951, President Quirino for the Philippines and Ambassador Cowen for the United States signed at Manila an agreement for economic and technical cooperation. For text, see Department of State, *United States Treaties and Other International Agreements* (UST), volume 3 (part 3) page 3707. Documentation regarding the negotiation of this Agreement is in file 896.00(R) for 1951 and in FRC Lot 53 A 278.

Editorial Note

A Department of State Policy Statement for the Philippines, dated May 1, 1951, is in file 611.96.

796.5/5-351

Memorandum by the First Secretary of the Embassy in the Philippines (Terry) to the Ambassador (Cowen)

SECRET

[WASHINGTON], May 3, 1951.¹

Subject: Notes on reference material pertaining to the MDAP Philippines.

While there is very extensive material in the form of reports, FMACC (now changed to FAC) directives,² et cetera, it is believed that for purposes of reference the JUSMAG Philippines Semi-Annual Appraisal No. 112.1 dated 1 February 1951,³ contains as complete and succinct a summary of the MDA Program as might be required for your purposes. Additional reports which could be of possible background value consist of the MDAP Progress Reports prepared on a monthly basis jointly by JUSMAG Philippines and the Embassy.⁴ Special attention is called to the first one of these reports, transmitted to the Department as Despatch No. 334, dated September 11, 1950.

I have gone through all the material on hand and believe the following statement represents a reasonably correct estimate of the situation, and justification for the MDAP in the Philippines.

"The primary end to be served by the MDAP insofar as the Philippines is concerned is the restoration of law and order and the maintenance of internal security. The political and military security of the Philippines is seriously, if not immediately, threatened by the offensive activities of the Hukbong Mapagpalaya Ng Bayan (HMB, or 'Huks'), a Communist-controlled guerrilla force, the strength of which has been variously estimated at from 7,000 to 20,000 effectives. This force is active throughout much of Luzon and on Panay; during recent months it has appeared to be expanding, in spite of the ever increasing pressure being brought by Government armed forces. The objective of the HMB is the overthrow of the Philippine Government and its replacement by a Communist regime.

"The HMB has not yet indicated that it is able or inclined to wage *positional* battles against sizeable units of the Philippine Armed Forces. It does, however, have the demonstrated capacity of infiltrating the countryside of Luzon almost at will, to overcome local police opposition in small towns and barrios which it is able to hold until the near arrival of constabulary or AFB reinforcements; strong units of the HMB have seized inadequately-garrisoned provincial capitals for periods of a few hours. By virtue of this military capacity, the HMB has been in a position to obtain needed supplies of foodstuffs,

¹ Ambassador Cowen had left Manila April 28. Mr. Terry was in Washington for consultations in the Department prior to reassignment to the Embassy in Vienna.

² Files of the Foreign Military Assistance Coordinating Committee are contained in Lot 54 D 5.

³ Not found in Department of State files.

⁴ These reports, none printed, are filed under 796.5-MAP and 796.5-MSP.

arms and equipment, and cash; in some of the more remote provinces of Luzon local and provincial officials have been intimidated. In some sections of the Island, extensive, once-productive agricultural lands now lie fallow, because of the fear of the local farmers to work the lands in these troubled areas. Many of these people have flocked to the relative security of the urban areas, with the result that Manila and other, smaller cities have seen a substantial rise in the ranks of the unemployed."

Perhaps the most serious difficulty being experienced at present under the MDAP is the long delay in receipt of needed items of military equipment. Although the Department of Defense had assured JUSMAG Philippines and the Embassy in January that the FY 1950 Program would either be already shipped or was ready to be shipped, the total receipts of this particular program are only about 85% complete. 1951 Basic and Supplemental are arriving in very small trickles, and some of the most urgently needed equipment, namely vehicles and various kinds of rolling stock can not be expected until the latter part of this calendar year or sometime during calendar 1952. While it is realized that priorities set up by the Department of Defense are based on their decision as to priority of need in Korea, Western Europe, and in other critical areas, it is hoped that when and if the pressure is lessened in other localities this will result in a speeded up program of deliveries for MDAP material to the Philippines.

Reports mentioned in paragraph one were submitted to the Department and can undoubtedly be obtained upon request.

S96.00-R/5-2951 : Telegram

*The Secretary of State to the Embassy in the Philippines*¹

CONFIDENTIAL

WASHINGTON, May 29, 1951—7 p. m.

2952. Joint ECA-State message. In order Phil Govt may be informed of progress being made in American aid program and of plans for coordinated ECA-Ex-Im Bank programming, you requested deliver fol note to Pres. Quirino. Suggested this note be personally delivered by Harrington accompanied by Checchi. Text follows:

"1. Econ aid program launched by US Govt on Apr 6, 1951, was of interim character designed promote econ strengthening and betterment in Phil until US Cong cld be asked auth establish enlarged program of financial and technical aid. This program, for which \$15 million has already been allocated, proceeded from substantial implementation by Phil Congress of Quirino-Foster Agreement of

¹ Telegram drafted by Mr. Griffin and cleared by the Department of State, the ECA, and (in draft) the Export-Import Bank.

Nov. 1950, and from earlier recommendations of US Econ Survey Mission in Sept. 1950.

2. In further implementation of Quirino-Foster Agreement

a) Pres. of US in his msg to Congress of May 24, 1951, on foreign aid, has requested funds which wld make possible additional grants in FY 52, for purpose of substantially expanding initial program already started in Phil by ECA STEM; and

b) Ex-Im Bank of Wash prepared to enter into discussions with reps of Phil Govt looking toward estab of credits for productive projects in Phil.²

3. In extension of grant and loan assistance, ECA and Ex-Im Bank will be closely associated to end both loans and grants shall be utilized as part of single integrated and coordinated program of US aid and Phil Govt efforts designed to help build econ strength in Phil and assist in mtg needs and aspirations of Phil people.

4. These actions reflect confidence of Govt of US that contd progress will be made in carrying out recommendations of US Econ Survey Mission."

For your info within \$375 million proposed to Congress for Title III there is apportionment of \$35.4 million for grant aid. Is not known this time when amt of Phil allocation will be made public by official action or in open comite mtgs. When this figure becomes publicly known by such declassification, wld be appropriate for publicity statement to be made to effect that grant aid proposed for FY 52 together with grant already made of \$15 million which represents commitments at close of FY 51 but actual expenditures in 52 compose unified \$50 million grant program for practically 12 months' period, which you may interpret as really being in excess of reasonable expectations to be gained from Bell Report for spending of US aid. While extent of Ex-Im Bank prospective loans cannot be given before Ex-Im Bank in Wash has approved projects to be recommended from field, you may take position Bank fully coordinating its projects of loan aid with ECA and with thought of implementing those portions of Bell Report that indicate propriety of certain types loan projects. Your publicity can clearly indicate while neither Exec nor Cong are committed to \$250 million program over period years, there has been no thought dividing that illustrative figure into five parts but rather take measures deemed most appropriate and effective in improving economy of Phil and in backing up Phil Govt its objectives carry out improvements

² In telegram 3143, to Manila, June 13, the Department in part informed the Embassy, for its information only, that the Bank was prepared to consider credits "up to \$25 million. This does not preclude additional credits later and similarly does not guarantee estab credits \$25 million within fixed period time. Action will depend on development projects suitable for loans and developing capacity Phils to service debt." This telegram had been cleared with the Bank. (896.10/6-1351)

and reforms indicated Bell Report for welfare of Phil people and stability of Phil society.³

ACHESON

³ Documents in file S96.00(R) for June indicate that delivery of this note was delayed while consultations went on in Washington between Ambassador Cowen and officers of the Department, the ECA, and the Export-Import Bank. On June 15 the Department instructed the Embassy to deliver the note to President Quirino unchanged that same day, and to make it public the following day.

796.5-MAP/5-2951 : Telegram

The Secretary of State to the Embassy in the Philippines

TOP SECRET

WASHINGTON, May 29, 1951—7 p. m.

Toisa 2957. Emb need not concern itself about the continued availability beyond Jun 30 1951 of the \$10 million made available to Dept of Def under MDAP for emergency assistance to the Philippines. Official records will show that the entire \$10 million was expended from the appropriation concerned during May. Funds were transferred to a Dept of Def special deposit account without fiscal year limitation and will continue available for the purposes intended until exhausted. Advise Gen Hobbs.

ACHESON

Under Secretary's Meetings, Lot 53 D 250¹

Memorandum of the Under Secretary's Meeting, Prepared in the Department of State

TOP SECRET

[WASHINGTON,] June 8, 1951—10:15 a. m.

UM N-354

[Here follow sections of the memorandum which summarize discussion of the Kem Amendment and of tin purchases from Bolivia.]

Report by Ambassador Cowen

6. Ambassador Cowen stated that there are 1600 people in the American diplomatic and Consular establishments in the Philippines. This number has increased and will increase further because of the USIE program. In addition, Manila is becoming more and more of a regional operations center, especially for the USIE program. He

¹ These Meetings, held as often as twice a week, considered important policy papers and heard oral presentations on outstanding issues. The Meeting regularly included all the officers in the Department of Assistant Secretary rank and above (or their representatives) with the exception of the Secretary, as well as a number of people of somewhat lower rank who held key positions.

pointed out that the country was falling apart about two years ago despite expenditures of over \$2 billion by U.S. Government. However, he emphasized that this money was not sent as an aid program. He gave the breakdown of the expenditures. Ambassador Cowen stated that the fault for graft and corruption in the Philippines is partly ours with respect to the disposal of surplus property. We did not give adequate protection to this property. However, he pointed out that much of the property is now being used effectively in the Philippines.

7. Ambassador Cowen stated that we have two navy bases in the Philippines, one at Cavite and the other at Subic Bay. We also have a jet base at Clark Field. He stated that the Defense Department, some time ago, was not sure whether the Philippines should be included in our defense periphery. When he reported this to the President, the President disagreed with Defense thinking and later the Secretary of State included the Philippines as part of our defense periphery in one of his speeches.² The reestablishment of the Seventh Fleet has been a great help in our diplomatic relations with the Philippines.

8. Ambassador Cowen described some of the financial difficulties of the Philippine Government. He pointed out that some time ago their foreign exchange had dropped considerably. We insisted upon an expansion of the import control laws but they were badly administered. The administration of these laws, however, has now improved. Exchange controls are also better administered. Ambassador Cowen pointed out that he took issue with the Department on the question of devaluation of the peso, and he was relieved of carrying out the obligation of the Department's instructions. The foreign exchange situation has now improved. Ambassador Cowen reported that an economic survey of the country was badly needed and the Bell Mission was appointed to do this. This Mission did an excellent job. The Foster-Quirino agreements were helpful. New taxation has been worked out. From now on, aid will not be for budgetary support but for rehabilitation of the Philippines. He stated that we have given the Philippines everything that they can reasonably expect. The Hukbalahap situation is not unmanageable. We have insisted on placing the constabulary under the armed forces which is an important improvement. Our JUSMAG has been a great success. These improvements in the Philippines now provide a sound basis for a good ECA program.

9. Ambassador Cowen stated that there is a need for intelligent coordination in the Far East on a country and area basis. He stated

² Apparent reference to Secretary Acheson's address before the National Press Club of January 12, 1950, "Crisis in Asia—An Examination of U.S. Policy". For text, see Department of State *Bulletin*, January 23, 1950, p. 111.

that our ambassadors are not adequately briefed before they go into an area. In addition, he felt that we should not send people to the Far East who are not interested in going there. These officers, and especially their wives, reflect their unhappiness, and this affects our relations with the country. The Ambassador emphasized that language training is extremely important and we should insist upon it. For example, in the Philippines a knowledge of Spanish is essential. He also felt that our officers should spend some time in other countries. He suggested, for example, that instead of sending officers to the Philippines on a boat, which takes 18 days, they should be sent by air through Europe and other countries so that they would have an understanding of the area and problems of those countries.

10. Ambassador Cowen asserted that there is an important need for a better economic staff. He stated that he has not been able to recruit an economic staff and this is one reason why we had to have a Bell Mission. The technical advisers necessary are important not only to us but to the individual countries. He stated that one reason for the collapse of the Philippine economy and its financial system was that we did not have good economic advisers available. He also pointed out that the political officers needed a better background in reporting. They are good draftsmen but they do not know how to go out and get news and information. He suggested that a year or two of experience on a newspaper would be excellent training for these political reporters. . . . Mr. Webb suggested that the embassy might require an inspection. Ambassador Cowen stated that the embassy has not been inspected in over two years, but he felt that his operations had improved considerably over recent months. Mr. McGhee stated that the problem on need of officers was an overall one. He felt that there was a general shortage in the middle and upper brackets of personnel. He stated that there were not more than three good economic people in the entire NEA area. He also pointed out that no one wants to be assigned to the FE and NEA areas, which places those posts under a severe handicap. . . .

11. Ambassador Cowen reported that many of his business friends have stated that our embassies are not interested in their operations. He has now instituted the system where our Embassy in Manila follows the planes and ships, and welcome businessmen to Manila and offer them services of our establishment there. The reaction of the businessman has been excellent. Mr. Webb raised the question of getting people from business to go into the area for two or three years. Ambassador Cowen agreed that this would be a good idea and expressed a willingness to canvass various businesses for volunteers.

ECA Cable File : FRC Lot 53 A 278

*The ECA Special Representative in the Philippines (Checchi) to the
ECA Administrator (Foster)*

CONFIDENTIAL

MANILA, June 11, 1951—9 a. m.

Toeca 638. 1. From Checchi.

2. This morning, Pres referred, in breakfast with me, to telcon with Cowen in which he was informed of decision to add Eximbank lending to program for Phils.

3. Pres queried as to probable basis of interest. Told him this wld probably depend on type length of projects and wld be settled in subsequent negots. He asked if counterpart deposits were required, and was very curious as to relationship Exim lending to ECA program. Answered to effect that counterpart might well not be required but that this also subj negot. Told him Exim lending wld, of necessity, be closely integrated ECA grant program, and that he wld be informed later exact nature integration required.

4. President's reaction Eximbank news was about what might have been expected. Little doubt he not adverse, if possible, play one agency against the other and fact that no counterpart deposit required on loans is an attraction to him. Stress you bear this in mind working out coordination plans with Eximbank.

5. Balance discussion Pres concerned itself usual exchange amenities and discussion specific projects already included FY 1951 program.

CHECCHI

796.001/6-1551

*The Chargé in the Philippines (Harrington) to the Department
of State*

SECRET

MANILA, June 15, 1951.

No. 1802

Ref: Embdesp 1194 Feb 15, 1951;¹ Depts instr 186 Apr 25, 1951²

Subject: Countermoves Against Philippine Communist Party

The Embassy has read with great interest the Department's instruction 186 of April 25, 1951 commencing on Embassy's despatch 1194 of February 15, 1951, and has the following observations to make on the various numbered proposals presented in the Embassy's despatch and the Department's instruction.

I—*Honest and Peaceful Holding of November 1951 Elections.* The Embassy agrees that the Philippine Government and people must be

¹ *Ante*, p. 1505.

² *Ante*, p. 1536.

made to realize that the United States will be watching very closely the 1951 and 1953 elections and that a repetition of the fraud and coercion practiced in the 1949 elections might have serious consequences in respect of American economic and military aid to the Philippines. The Embassy believes that to convey this idea by means of discreet conversations with editors of local newspapers would not in itself aid materially in the prevention of coercion and fraud. Although as yet there has been very little mention in the press of the necessity for honest elections, we believe this is due to the fact that the elections are still five months off and that the political parties have not yet held their conventions. When the campaign actively gets underway, we believe all newspapers will emphasize the necessity for honest elections. At that time, the Embassy will individually, informally and discreetly inform editors of local newspapers that we consider the honesty of the elections of utmost importance and that the conduct of the elections might well influence our attitude toward military and economic aid. At a meeting of provincial Public Affairs Officers in Manila last week, it was decided that USIS should actively work towards free and honest elections by consulting with and giving aid and advice to civic organizations and the press. However, despite President Quirino's sensitiveness to press criticism, we believe that a direct approach to the highest Government leaders on this question is not only desirable but, in the final analysis, is the only way by which any substantial results can be hoped for. A leading member of the Senate group known as the Democratic Bloc recently told an Embassy officer that the November elections would be free and honest only if President Quirino wanted them to be so, and that the only hope that the President would take this point of view rested with the American Embassy. The Senator said that the American Ambassador should go to Malacañan and demand that there be no fraud or coercion during the elections.

Secretary of National Defense Magsaysay told city officials at Bacolod on May 13 that the Armed Forces of the Philippines would give equal protection to all political parties in order to insure free and democratic elections. The following day, answering an inquiry by a newspaperman as to whether the Armed Forces would interfere in the elections, president Quirino stated "absolutely not". Despite these assurances, it is our view that the elections will be honest only if Quirino sincerely wishes them to be. We also believe that the United States should unequivocally make its views known to Quirino.

II—*Philippine Government Should, in so far as Possible, Be Influenced To Follow More Enlightened Policies.* No further comment.

III—*Land Redistribution.* The Agricultural Attaché is of the opinion that the problem of land distribution in the Philippines differs from the problem in Korea and Japan which are sometimes cited as

examples that should be copied here. He points out that there is a large public domain in Mindanao, Leyte, Samar, Palawan, Mindoro and northern Luzon waiting for settlement. Rather than embark on an expensive program of acquiring and redistributing privately-owned estates in central Luzon, thorough consideration should first be given to alleviation of the land problem by resettlement in areas where land is now available without cost to the Government. The report and recommendations of the Advisory Committee on Large Estates Problems was forwarded to the Department under cover of Embassy despatch 1526 of April 24, 1951.³ The report of the Special Committee on Land Settlement and Title Issuance and Clearance was forwarded to the Department under cover of despatch 1718 of May 28, 1951.³ These two reports contain information which should be of value in the formulation of policy in regard to land distribution.

The Agricultural Attaché estimates that the market value of small lots of irrigated land in central Luzon will range from 3,000 to 4,000 pesos per hectare. Large blocks of land, from 2,500 hectares and up, could be purchased for 1,000 to 1,200 pesos per hectare. Non-irrigated land brings about one-half the prices quoted above. Land values in Huk-infested areas are greatly depreciated now because some land-owners are willing to sell at a sacrifice in order to rescue some of their capital.

IV—*Land Reclamation*. About two months ago in a conversation with Vincent Checchi of ECA and an Embassy officer, President Quirino stated that he was very interested in the possibility of converting the Candaba Swamps into an economic and social asset. ECA requested the Philippine Council for United States (PHILCUSA) to report on the possibility of the development of an ECA project for the Candaba Swamps. PHILCUSA has not yet made its recommendations. As soon as some decision on this matter is reached, the Embassy will inform the Department. The Agricultural Attaché believes that this project would be a mammoth undertaking requiring a huge dollar investment and that United States aid could be used to better advantage on other projects.

V—*Labor*. The Labor Attaché has just returned to this post after an absence of two months. Comment on this subject will be forwarded at a later date.

VI—*Reforms of Principally Financial Character*. No further comment.

VII—*Military and Quasi-Military Suggestions*.

1. Although the Communists undoubtedly wish to infiltrate and propagandize the Philippine Armed Forces, there have been no indi-

³ Not printed.

cations in recent months that they have succeeded in doing so to any appreciable extent. JUSMAG is cognizant of this problem and is working with the section of the Philippine Armed Forces which is responsible for such matters.

2. The Embassy understands that appropriate efforts are being made to prevent increased Huk activities in the so-called "expansionista" areas.

3. The Embassy believes that the disinclination of some Philippine Ground Force units to come into close combat with the Huks is gradually disappearing and that in recent months a somewhat more aggressive spirit has been shown by the various battalion combat teams in the field. It is understood that JUSMAG opposes direct assignment of American officers to Philippine combat units. However, a large proportion of JUSMAG's officers are at any given time in the field conducting inspections of field units.

4. There is a difference of opinion as to the effects of clearing people out of interior and mountainous areas. Apparently JUSMAG does not feel strongly that this operation was mishandled in Iloilo or that a large number of people were involved. On the other hand, the Governor of Iloilo requested the aid of the President's Action Committee on Social Amelioration in caring for people brought into barrios from the mountains. Also, operators of USIS mobile motion picture units reported that hundreds of families were camped along the roads leading into barrios near Iloilo without shelter or proper care. Other operations of a similar nature have not been undertaken recently.

5. We have no information on the purchase of loose arms.

VIII—*Use of Mass Media.* No further comment.

JULIAN F. HARRINGTON

796.5614/6-2151

The Ambassador in the Philippines (Cowen) to the Chairman of the Joint Chiefs of Staff (Bradley)

SECRET

WASHINGTON, June 21, 1951.

MY DEAR GENERAL BRADLEY: I would like to confirm our conversation of yesterday concerning the request of the Philippine Government for napalm bombs. As I told you, I am unalterably opposed to granting this request because the Philippine Armed Forces are not qualified to use this kind of equipment and, furthermore, I can see only the most unfortunate repercussions if it were used and innocent Filipino citizens were killed or badly burned. The result could only be to make more Huks than would be eliminated.

I would not have any objection if a small amount were in the custody of JUSMAG and one or two crews of Filipinos were trained in the utilization of napalm and it would be made available to the Philippine Armed Forces only with the prior consent of JUSMAG and preferably, if circumstances permit, with the prior approval of Washington.¹

Sincerely yours,

MYRON M. COWEN

¹ General Bradley's reply of June 25 follows in entirety: "This is in connection with your letter dated June 21 in which you recommended against the use of napalm bombs by the Philippine Armed Forces against the Huks. The Joint Chiefs of Staff feel about this subject the same as you do; however, they consider it is very largely a political problem. I have passed your letter and the views of the Joint Chiefs of Staff on to General Scott, who is charge of the Military Aid Program." (796.5614/6-2151) Maj. Gen. Stanley L. Scott was Director of the Office of Military Assistance, Department of Defense

Manila Post Files : 430.1 Napalm Bomb

Memorandum by the Ambassador in the Philippines (Cowen) to the Third Secretary of Embassy (Cuthell)

SECRET

MANILA, July 9, 1951.

Subject: Reference Deptel 72, July 6, 1951.¹

The Department feels, as I have long felt, that the use of napalm bombs by the Philippine armed forces is a hazardous venture to the extent that if any innocent Philippine citizens were inadvertently burned by the careless use of napalm we would be held at least morally responsible inasmuch as we had provided the Philippine armed forces with the napalm. I suggested to JUSMAG some months ago that consideration might be given to training a limited number of Philippine crews in the use of napalm and then making napalm available under certain circumstances from time to time as the occasion might require, if specifically approved by JUSMAG. However, in my opinion the napalm bombs should be kept stored either at Clark Field—and there are napalm bombs there now—or in some other storehouse under the direct and complete control of JUSMAG.

I discussed this matter briefly with Ed Lansdale a few days ago. Lansdale is of the opinion that a somewhat more liberal use of napalm should be given to the Philippine armed forces. We may want to consider the advisability of deferring a final decision in this matter until

¹ In this telegram, drafted in the office of International Security Affairs and cleared with the Office of Philippine and Southeast Asian Affairs, as well as the Department of Defense, the Department had stated: "Subj napalm bombs. Ref recent discussions subj by Amb Cowen in Dept and Def and last para June 21 letter Amb to General Bradley, Emb requested submit agreed Emb-JUSMAG plan for handling subj. Def sending JUSMAG similar inst." (796.5-MAP/7-651)

General Hobbs' successor has arrived and taken over. I would particularly prefer to defer the use of any napalm until after the November elections.²

² A handwritten marginal note, possibly by Mr. Cuthell, who was assigned to liaison duties with JUSMAG, reads as follows: "Discussed with Cols. [?] & [Grady W.] Butler of [JUSMAG] 7/10/51".

Manila Post Files : 430.1 Napalm Bomb : Telegram

The Chief of the Joint United States Military Advisory Group in the Philippines (Hobbs) to the Department of the Army

SECRET

[MANILA,] July 14, 1951—2 a. m.

6272-A. For G-3. Urmsg 96019.¹ Subject: Napalm bombs. Do not concur with point A. of Defense opinion. In my opinion the use of napalm is definitely and primarily a military matter and responsibility for its use rests with the Phil Govt, not the US Govt. From mil point of view napalm is used against certain strategic targets in much the same manner as artillery, which we furnish the armed forces Phil, and is subj to the same human on-target error. It is emphasized that the AFP has developed and is using so-called locally produced napalm bomb and there have been no political repercussions, known to this office, from such use. This bomb is definitely inferior to ours and in my opinion, inasmuch as the AFP intend to continue using their napalm substitute, we are, militarily, justified in furnishing them the higher grade ingredients available to the US. I fully concur in the limited use of napalm as it is currently used against certain strategic targets not coverable nor counteractable by other means. Experience has proven that in rugged mountainous terrain, covered with jungle growth, where these guerrillas holeup in caves in the cliffs, dislodging of the enemy force becomes extremely difficult and results in high casualties to the AFP troops. The use of low-level bombing with napalm assists most materially in driving out such an entrenched enemy. The argument (political) that Russia might make international propaganda out of such usage is negated by actual events to date as far as the local Phil picture is concerned, since the Phil public has accepted the use of the AFP-manufactured type napalm without any known protest. Effect of such possible propaganda by Russia in other countries is believed irrelevant to the local conflict in the Philippines. This mountain-entrenched enemy must be met and defeated and surely the use of napalm to lessen the AFP casualties in this dislodgement

¹ Not found in Department of State files.

operation is of far more importance than any possible propagandism by the Russians. It is urged that the Dept of Def reconsider its opinion that the use of napalm is primarily political, and render future decisions based on mil desirability. Amb Cowen has been shown this radio in its entirety. After reading same Ambassador Cowen states he has no objection to requested napalm materials being furnished AFP, provided storage and actual combat use of same was carefully supervised and previously approved by JUSMAG. He was assured by me that these desired provisions would be followed by this hqrs.²

² In a letter of July 19 to the Ambassador, Mr. Melby stated: "Thanks for your memorandum of July 9 to Dave Cuthell about napalm bombs [p. 1550]. At the same time that came in I got a copy of Hobbs telegram to [G-3], No. 6272-A . . . July [14], containing the strongest possible request for napalm and its use. The telegram ends quoting your approval for his position and request. As long as this stands unchallenged there is nothing we can do to prevent the request from going through. You know as well as I do that no guarantee by Hobbs and supervision will prevent the Filipinos from using these bombs just as they please." (Manila Post Files: 430.1 Napalm Bomb)

796.5-MAP/7-2751 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

MANILA, July 27, 1951—1 p. m.

393. For Melby. Re Deptel 72, July 6¹ submission joint plans re napalm delayed as JUSMAG states no instructions received from Defense as of 26th.

In acceding to compromise on use napalm I made it clear to Hobbs that following conditions minimum: (1) all bombs and parts to be stored at Clark Field only and not released PAF without JUSMAG approval (2) each proposed napalm bombing mission by PAF to be specifically approved in advance and closely supervised by JUSMAG.

PAF now using locally made makeshift (see mytel 3750 May 25 and Embdes 1692 May 22).² This has technical disadvantages including requirement that it be fired after dropping, by incendiary bullets.

PAF extremely anxious use our napalm and I feel that if above conditions observed we should allow limited purchase. Any napalm procured by Phils would be on reimbursable basis separate and apart from MDAP.

¹ See footnote 1 to the Ambassador's memorandum of July 9 to Mr. Cuthell, p. 1550.

² Neither printed. In the course of despatch 1692 the Embassy had mentioned that the Philippine Government had first requested napalm bombs for use against the HMB in November, 1949. (796.5614/5-2251)

I would insist that no use would be made of napalm prior elections, and Hobbs assures me that supply could not be obtained earlier even if ordered now.³

COWEN

³ In telegram 421, August 3, drafted by Mr. Melby, the Department replied: "Urtel 393, July 27. Dept assumes you did not mean napalm cld or shld be used without your prior knowledge and concurrence. Pls confirm." (796.5-MAP/7-2751) In telegram 580 from Manila, August 10, the Ambassador stated: "Wld prefer delay my reply Deptel 421, August 3 pending discussion with General Pierson, who is due to arrive about August 15. As of August 7 JUSMAG still without instructions from Defense on this matter." (796.5614/8-1051) Maj. Gen. Albert Pierson was General Hobbs' replacement as Chief of JUSMAG.

S/S Files : Lot 60 D 167

Memorandum by the Deputy Under Secretary of State (Matthews) to the Executive Secretary of the National Security Council (Lay)

TOP SECRET

WASHINGTON, August 6, 1951.

Subject: First Progress Report on NSC 84/2, "The Position of the United States with Respect to the Philippines".¹

NSC 84/2 was approved by the President on Nov. 10, 1950. It is requested that this Progress Report, as of July 13, 1951 be circulated to members of the Council for their information.

I—*Policy Implementation*

Economic Measures

The United States Economic Mission to the Philippines (The Bell Mission) during the summer of 1950 surveyed Philippine economic conditions at the request of President Quirino and made specific recommendations for cooperative measures to improve the situation. President Truman then designated William C. Foster, Administrator of the Economic Cooperation Administration, as his special representative, to discuss implementation of these recommendations with the Philippine Government. Following the conversations in the Philippines, President Quirino and Mr. Foster in November 1950 signed an agreement whereby President Quirino undertook to secure from the Philippine Congress the following legislation:

- (a) Appropriate minimum wage legislation.
- (b) Increased taxation legislation designed to balance the Philippine budget.
- (c) A general Congressional resolution expressing approval of the over-all recommendations and objectives of the Bell Mission report.

The agreement stated that once the Philippine Government had complied with these undertakings, President Truman would seek

¹ For text, see *Foreign Relations*, 1950, vol. VI, p. 1514.

from the Congress of the United States funds to initiate an economic development program to be administered by the ECA. The Bell Mission Report and the Quirino-Foster Agreement, although antedating NSC 84/2² conform accurately to it and were an integral part of the developments which led to the formal policy statement set forth in NSC 84/2 to guide subsequent American activities.

Despite important political opposition, President Quirino by April 1951 had secured Congressional approval of legislation which (a) expressed Congressional support for the general objectives and recommendation of the Bell Report; (b) enacted measures designed to increase Government revenues by approximately ₱250 million annually; and (c) established fairly satisfactory minimum wage standards for agricultural and industrial labor. The proof of this theoretical performance will of course come only through vigorous implementation in which the United States is prepared to assist, at the request of the Philippine Government, with technical advisers. On April 27, 1951, President Quirino and Ambassador Cowen signed a bilateral agreement for an ECA program. The ECA made available \$15 million for the balance of FY-51. President Truman has requested the Congress to appropriate funds for a program for FY-52. The recommended amount is \$35.4 million. The Export-Import Bank has earmarked \$25 million for a loan program and a technical mission to recommend specific projects is scheduled to arrive in Manila early in August. There is general agreement that as the program develops during an anticipated five-year period in accordance with the Bell recommendations, increasing emphasis should be placed on loans rather than grants.

There is attached a copy of a letter of July 9, 1951 from the Governor of the Central Bank of the Philippines to the Assistant Secretary of State for Far Eastern Affairs, which sets forth an excellent analysis of the current Philippine economic situation.

Military Measures—MDAP

In accordance with the recommendations of the United States MDAP Survey Mission to Southeast Asia (Melby-Erskine Mission) and of the Departments of State and Defense, President Truman has recommended to the Congress a military assistance program for the Philippines for FY-52 of approximately \$48 million. These recommendations, although originally formulated just prior to NSC 84/2, conform to the policy stipulated in that document. This program will enable the Philippine Government properly to equip the 26 battalion

² In actuality NSC 84/2 antedates the Quirino-Foster Agreement of November 14, 1950 by four days.

combat teams deemed necessary to restore and preserve internal law and order and liquidate the armed forces of the Huk movement. At the very end of FY-51 it was also possible to increase the previously approved and functioning MDAP program by approximately \$5.5 million from unallotted funds. In order to speed up deliveries the Joint Chiefs of Staff raised the priority rating of the Philippines from 4 to 3. Due to requirements elsewhere and despite the higher priority, however, deliveries to the Philippines have not been as rapid as would have been desirable.

Budgetary Aid

In order to bring the strength of the Philippine armed forces to the required 26 battalion combat teams, it is necessary for the Philippines to increase its present army by an additional 10 battalion combat teams. To relieve the anticipated economic strain of this increase President Quirino in January 1951 requested \$50 million from the United States to be applied to the troop pay and maintenance of the Philippine army. This request contravened an established American principle against direct financial assistance for military purposes, but in view of the unique American relationship to the Philippines and the unlimited American guarantee to protect the Philippines against aggression, it was decided to make \$10 million available in May 1951 from FY-51 funds as a one-time operation until the effects of the economic program and the new Philippine legislation can begin to make themselves felt. These funds are to be spent as the American Ambassador and the Commanding General of JUSMAG deem necessary to assure the pay and maintenance of the Philippine armed forces.³ Improvement in the Philippine budgetary situation during the past three months now opens the possibility of expending these funds at a somewhat slower rate and as a lever to deter utilization of the troops for fraudulent purposes in the elections of next November.

Philippine Military Actions

As a result of prodding from the United States a major shake-up has taken place in the top Philippine command. Under the intelligent and aggressive leadership of the Secretary of National Defense

³ Procedures for the administration of the budgetary aid funds were set forth in an *aide-mémoire* of June 14 from the American Embassy to the Government of the Philippines. The aid was to be furnished to assure the maintenance of essential Philippine troop forces and matériel, and was to be contingent on assurance that AFP troops would be paid in full and on time. The Government of the Philippines was to accomplish such construction and other military projects as might be jointly decided upon by the Secretary of National Defense and the Chief Adviser, JUSMAG-Philippines. These procedures were accepted by the Philippine Government in an *aide-mémoire* of June 26. (Summary based on telegrams 4261, June 22, and 4269, June 29, both from Manila; 796.5-MAP/6-2251 and 796.5-MAP/6-2951, respectively)

Magsaysay, younger and more active officers are being given an opportunity to demonstrate their abilities. Operation Sabre, which has been going on since the beginning of 1951, has inflicted the first serious damage suffered by the Huk armed forces and has put them on the defensive. A highly successful raid last October on Philippine Communist headquarters and the coincident arrest, trial and conviction of most of the members of the Communist Politburo have seriously disrupted Huk activities and organization.

Philippine Political Actions

During recent months there have been numerous changes of key personnel in the Philippine Government which have brought in abler and more conscientious men. These changes are largely due to the persuasiveness of Ambassador Cowen with President Quirino. Although the performance of the latter still leaves much to be desired, there is evidence that he is making an honest effort to improve the calibre of his Government. In this connection it should be remembered that his position is a difficult one in view of his own limitations and weaknesses and the unfortunate political obligations he contracted in the past. Attention is now being increasingly focused on the mid-term Congressional elections next November which will have an important bearing on the future development of Philippine democracy. Such encouragement as may be possible is being given President Quirino and responsible Filipinos to insure that honest and free elections are held.

Philippine Foreign Relations

The determination of the Philippines to play a role in the struggle of the free world against communism has been demonstrated. The Philippines has continued unfalteringly in its support of the United States in the United Nations. General Romulo has rendered particularly distinguished service in this respect and on numerous occasions has been able to temper some of the more erratic activities of the Arab-Asian block. The Philippine battalion in Korea continues to give a good account of itself. During the recent visit of Indonesian President Sukarno to Manila, he stated in a press interview that he would have no objection to a Communist government in Indonesia if the people of Indonesia so desired it. President Quirino publicly replied that the Philippines is wholeheartedly committed to the United States and has no intention whatsoever of even considering any change in its policy. Recent efforts of prominent Nacionalista Party leaders to create dissension by calling for an independent Philippine foreign policy divorced from American policy have created much public furore but have so far made no real headway.

II—*Policy Evaluation*

The measures taken to implement the policy set forth in NSC 84/2 and NSC 48/5,⁴ some of which were conceived and initiated prior to the formalization of these two documents, have made a significant contribution toward the development of economic and military stability in the Philippines. Although prudence demands that progress must be considered as preliminary, the success already achieved is evidence that the policy course is the correct one and that continued and determined action along these lines will crystallize the desired American position in the Philippines. It can also be expected that success in the Philippines will make an important contribution toward persuading the rest of Southeast Asia of the integrity and capabilities of American intentions.

H. FREEMAN MATTHEWS

[Enclosure]

The Governor of the Central Bank of the Philippines (Cuaderno) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

MANILA, July 9, 1951.

DEAR MR. RUSK: I am taking this opportunity to thank you once again for the invaluable assistance you have rendered the Philippine Government last year by favorably endorsing its use of the United States funds which were on deposit with the Philippine National Bank. Thanks to this timely action, the Philippine Government was able to weather a critical period and to make necessary adjustments for solving its short-run financial problems.

After the trying times it endured last year, the Philippine economy began looking up these last eight months. There has been a marked improvement during the last quarter of 1950 and the first half of 1951.

The international reserves has risen from \$250 million in December 1949 to \$356.7 million in December 1950 to \$382.2 million as of June 1951. These gains in the reserves, the improvement in the trade position and the promise of ECA assistance enabled the Central Bank to recommend and the Government to adopt an import policy that was progressively liberalized covering many commodity imports. This import policy, the new tax measures passed, the intensification of tax collection, the greater control exercised over government expenditures, the price control and anti-hoarding measures are the instruments that

⁴ "United States Objectives, Policies, and Courses of Action in Asia," approved by President Truman May 17. For text, see p. 33.

the Government has been using in its determined fight against inflation. Because of the deteriorating short-run prospects for Philippine exports and the rise of the level of commodity imports due to "decontrol," a substantial portion of the gains made in the international reserves position will probably be lost. However, if the decline in the international reserves brings with it a reduction in the level of consumers prices and improves the financial setting for vigorous economic development and the profitable use of U.S. aid, we would consider the effort well worth the cost. In any event, we are hoping that the decline in the international reserves will probably not be such as to compel an immediate reversal of the present import policy.

The actuations of the Government in the recent past relating to its fiscal operations appear to assure that further inflation of the money supply due to bank financing of budgetary deficits would be held in check. The cash resources of the Philippine Government including the ₱40 million unexpended balance of the U.S. loan amounted to ₱73.6 million as of June 30, 1951 compared to only ₱12.6 million on the same date last year. The total tax receipts for the first quarter of 1951 is about 40 percent greater than the total for the corresponding period in 1950. Compared to last year when the Government owed the Central Bank ₱44 million for budgetary requirements and the Philippine National Bank about ₱17 million for Treasury warrants cashed by its branches, when a loan of ₱22 million had to be secured from the International Monetary Fund to pay teachers' salaries which were in arrears and when a loan of the funds which the U.S. Government had on deposit with the Philippine National Bank which amounted to about ₱70 million had to be arranged in order that pressing requirements of the Government, especially of the armed forces, could be met—today, notwithstanding the payment of ₱7 million made recently on the U.S. loan, the Government owes the Central Bank about ₱6 million only for budgetary purposes, all outstanding Treasury warrants have been paid, payment of teachers' salaries is up-to-date, and, so far payments to the "counterpart fund" on government accounts are being fully met. Of course, with the increase in tax receipts, special funds utilized for budgetary purposes that year, such as the gasoline tax fund, will have to be replaced in order that important public services, like the repair of roads, may be accomplished. If it were not for the fact that funds will have to be provided for essential public works (none was provided in fiscal year 1951) and for the ECA "counterpart fund", and the further fact that the cost of maintaining peace and order is increasing due to price inflation, I believe the Government might be able to meet its financial requirements in fiscal year 1951-1952.

With the solution of the short-run financial problems of the Government, thanks to the timely loan accommodations extended by the U.S. Government and the International Monetary Fund last year, and the approval by our Congress of a number of tax measures, this country, with ECA assistance, now has the opportunity to pull itself out of long-run fundamental economic difficulties. The achievement of this objective should not be difficult with the observance of sound monetary and fiscal policies and continued close cooperation between the Philippine Government and the ECA mission in this country.

With kindest regards, I am

Sincerely yours,

M. CUADERNO, SR.

611.96/8-2351

*Memorandum by the Assistant Secretary of State for Far Eastern Affairs (Rusk) to the Ambassador at Large (Jessup)*¹

CONFIDENTIAL

[WASHINGTON,] August 23, 1951.

Subject: Problems which the Philippines might raise with the Secretary at San Francisco.²

Considering that the United States has granted a large and significant military program to the Philippines, has undertaken an ECA program as well as an Export Import Bank program in conformity with recommendations of the Bell Mission, has made major concessions to Philippine desires on the Japanese Peace Treaty and is concluding a security treaty,³ it is difficult to conceive what else they could want. Probably more has been done for the Philippines during the past year proportionably than for any other country in the world. One must assume, however, that if anyone can figure out a new angle, the Philippines will do it.

In the event that the Philippines should devise new and unanticipated capers, it is recommended that the Secretary listen politely and noncommittally and in his reply largely confine himself to strengthening the point that the time has now come for Philippine performance and greatly strengthened self-help, particularly, since the tools for the establishment of stability have now been made available. Emphasis could also be made of the fact that the world will be watching the mid-

¹ Memorandum drafted by Mr. Melby.

² Reference is to the Conference held at San Francisco September 4-8, for the conclusion and signature of a Treaty of Peace with Japan. For documentation, see pp. 1326 ff.

³ For documentation, see pp. 132 ff.

term elections of next November as tangible evidence of the sincerity of Philippine democratic protestations.⁴

⁴Record of any conversations held between Secretary Acheson and Philippine delegates to the Conference has not been found in Department of State files.

796.11/8-2851

*Memorandum Prepared by the Embassy in the Philippines*¹

SECRET

MANILA, August [?], 1951.

APPRAISAL OF THE PHILIPPINE SITUATION BY THE AMERICAN EMBASSY

The past two and one-half years have seen the renegotiation of the agreement on naval bases, the conclusion of a military assistance program and an important part of its implementation, the acceptance of an economic survey mission, the conclusion of the bilateral agreement setting forth the terms of the Economic Cooperation Administration development program, and the sending of an Export-Import Bank survey team. Now safely assured is Philippine participation in the Japanese Peace Treaty. Negotiations for a mutual defense treaty have been completed.

It now seems likely that we will see the disintegration of the Huks as early as November if present pressures are continued. Huk leaders are now promising a big victory in November, but the feeling of the rank and file is that, unless eventual victory is then assured, they will cease their struggle, either drifting back home or surrendering for resettlement on Mindanao. This would be a victory over the Huk militia but not over the Huk political forces, who will continue as long as there is economic and social discontent. There is reason to believe that the Chinese Communists are assaying the coming failure of the Huks as the vehicle for the Communists in the Philippines and are quietly setting about organizing a stronger, more disciplined, and more clandestine force to supplant the Huks eventually.²

¹This memorandum was an enclosure to a memorandum of August 28 from Mr. Rusk to the Secretary, not printed. (796.11/8-2851) It was prepared for President Truman in connection with the visit of President Quirino to Washington to be present with President Truman at signature on August 30 of the Mutual Defense Treaty between their two countries. The second paragraph is based on the Embassy's telegram 737, August 21, and the remainder is based on telegram 729 of the same date. (Neither printed. 796.00/8-2151)

²In telegram 789, August 24, Ambassador Cowen commented on this paragraph as follows:

"To avoid possible misinterpretation I wish to make clear that Embtel 737, August 21 was not intended to imply there will be no further Huk raids or incidents. I believe Huk fighting organization will soon have sufficiently disintegrated if present Phil military pressure sustained to render it incapable of mass attack on govt forces. Scattered groups with poor communications will continue to harass, plunder and raid but danger of overthrow of govt by large-scale Huk military operation now passing thanks to effective efforts of Phil Armed Forces as developed under JUSMAG direction." (796.001/8-2451)

The application of the Department's policy during the past two and one-half years has registered satisfactory progress in influencing the nation's development as a unit of the democratic bloc. Whereas economic and political collapse appeared probable in 1949, the nation today finds itself with a budget in balance, the possibility of a budgetary surplus, rising production indices, stable and gradually receding price levels, internal reserves well above the margin of safety, and a marked improvement in civic morale.

We feel we have just cause for satisfaction in the results achieved but must recognize that, without exception, they remain possible only by continuously applied pressure. This suggests several matters for future concern. The first is whether or not this reinforced structure will hold together when pressure is removed. It is too easy for our own public opinion to dismiss such concern as the Filipino's own responsibility, to justify withdrawal of active interest on the ground that our moral obligation has been met and that the future, good or bad, is up to the Filipinos. However, even though this task has been a moral obligation, we cannot overlook the fact that for our purposes it was also a matter of practical self-interest. If the eyes of Asia are on this area as a show window of democracy, they are focused upon it even more keenly as a testing ground for American leadership. In casting about for adaptable social patterns, the new nations of Asia will accept or reject ours on the basis of its success or failure in the Philippines. By the same token, in seeking new relations with the West to replace those they have dislodged, they will be influenced by the firmness, understanding, and fair play which we demonstrate in our relations with the Philippines. Strong leadership is respected in this part of the world, but it must be tolerant and understanding, without condescension, to be accepted.

An understanding of the Philippine people is essential, and their shortcomings must be appraised against their historic background. A useful analogy is to regard them as precocious children without minimizing their potential as future world citizens. This merely recognizes their relatively recent introduction to the modern world and the fact that four centuries of their experience in that world have seen the obliteration of their own culture and the imposition of three alien, diverse, and conflicting cultures. That they have assimilated the superficial aspects of ours in so short a time is proof of their precocity. Where they failed to grasp its more fundamental implications they are displaying no more than the uncertainty and the bewilderment of national mind in which several strong but incompatible traditions vie for supremacy. As they are today, however, they present no problem that cannot be met by firm patience and sympathetic understand-

ing. It is against this background that we must view the problems of retaining the gains we have made and of expanding the ideological bridgehead we already have here.

In connection with the problem of retaining gains we have made, it will be necessary, among other things, to be prepared for a worsening of economic conditions in the Philippines if the prices of their principal export commodities do not recover from their present relatively low levels in comparison with those prevailing a few months ago. Any appraisal of future economic conditions in the Philippines should also take into account the resurgence of Japan as an industrial power in Asia and its possible adverse effect upon Philippine plans for intensive industrial development.

Another problem is more directly related to the local political scene. It was inevitable that, in shoring up the shaky economic structure and in providing for a program of economic aid and development, we should at the same time have restored the administration's power and prestige. The danger now is that in so doing we have developed a threat to the very institutions we seek to strengthen. It is already becoming apparent that the continuation of what we have started will be used by the incumbents to undermine and destroy opposition, with the elimination of the two-party system as the ultimate goal. This obviously must be avoided and can be avoided if we take as the task ahead the strengthening and encouragement of the opposition party devoted to constructive criticism of domestic issues. The existing opposition has leaned toward criticism of foreign policy not only because its leadership includes such embittered ex-collaborators as Laurel³ and Recto⁴ but also because it felt we were wholly committed to support the Liberal Party. The Ambassador has been unable to dispel this misconception to date, because of the prior importance of building and maintaining a working relationship with the Administration and because of the Administration's extreme sensitivity to even the mildest show of tolerance for and association with the opposition.

With our various aid agencies now established and functioning, however, it should be possible to begin developing a broadened bipartisan base for Philippine-American relations. This can be done only if all such aid programs, including the military, are used as factors in influencing political policy along democratic lines and are coordinated and focused toward the new objective.

³ José P. Laurel, President of the Republic of the Philippines, 1943-1945.

⁴ Senator Claro M. Recto had been a member of the Laurel government.

796.11/9-1451

*Memorandum of Conversation, by the Deputy Director of the Office
of Philippine and Southeast Asian Affairs (Melby)*

CONFIDENTIAL

[WASHINGTON,] September 14, 1951.

Subject: Call on President Truman by President Quirino

Participants: President Truman
Ambassador Cowen ¹
President Quirino
Ambassador Elizalde

President Quirino when he called on President Truman by appointment was kept waiting a half-hour because Governor Dewey ² was with the President. Quirino first presented the President with an ivory and gold-headed cane bearing the presidential crest identical with the cane he was carrying himself. There was first the usual exchange of amenities in which Quirino explained he had received a clean bill of health from his doctors but had been told to rest for 45 days. He said he is proceeding to Honolulu where he will spend some time and then fly to Manila.

Ambassador Cowen took this occasion to make some reference to the heavy burden Quirino is carrying now and the grave responsibility which is his in view of the impending critical November elections. The President said "Yes", he understood this was the case and he expressed to Quirino the wish that he would have in the elections the same kind of splendid success he has had in the past. Quirino thanked the President for his wishes.

Quirino then expressed to the President his hope that something further could be done on war damages. He said he understood the President had expressed approval of the idea to Judge Delgado.³ The President said that as a matter of fact he had told Delgado he favored additional war damages, that he had originally recommended 500 million to the Congress, which had appropriated only 400 million, and that he thought the Philippines was entitled to the extra 100 million. He added, however, that in all frankness he should tell Mr. Quirino he did not think there was the slightest chance that Congress would agree.⁴

¹ Ambassador Cowen had left Manila on August 24 to assist at the Japanese Peace Conference in San Francisco, after which he had gone to Washington for consultations at the Department.

² Governor Thomas E. Dewey of New York.

³ Francisco A. Delgado, a Commissioner on the U.S.-Philippine War Damage Commission. Mr. Delgado was elected to the Philippine Senate on November 13.

⁴ The Congress took no action on Philippine war damage claims during 1951.

President Quirino raised the question of priorities for Maria Cristina.⁵ The President laughed and said that although he was fully sympathetic to the project, he did not know how helpful he could be since he had been trying unsuccessfully to get structural steel for a new post office in Independence, Missouri.

The President then expressed to Quirino his appreciation for the understanding and splendid support the Philippines had given on the Japanese peace treaty. Quirino then referred to a conversation he said Under Secretary of Foreign Affairs Neri had had in Tokyo some weeks ago with Prime Minister Yoshida. According to Quirino, Yoshida had told Neri that Japan had every intention of complying with any reparations required of the peace treaty and, furthermore as evidence of Japanese sincerity, Japan intended in addition to whatever the treaty provided for to pay the Philippines \$1 billion in cash after the treaty went into effect. Quirino added that the Romulo-Yoshida conversation in San Francisco confirmed this understanding.⁶ He understood the United States interpretation of the *aide-mémoire* on reparations⁷ to the Philippines at San Francisco supported the Yoshida statement. Ambassador Cowen at this point injected that there must be some misunderstanding since this was the first he had heard of any such proposal and that it was not as far as he knew the intention of the United States to favor any such proposal. He said the United States interpretation was that the reparations articles would provide for payment in capital goods as well as consumer goods. President Quirino said that that was correct.

President Quirino asked President Truman whether or not he thought it would be advisable for him to call a special session of the Philippine Congress for early ratification of the Japanese treaty. President Truman replied that although he would send the treaty to our Congress for ratification immediately upon its receipt from the State Department,⁸ he thought it highly unlikely the American Congress would act on the treaty before the January session and accordingly it would be unnecessary for the Philippine Congress to hold a special session. Following a few amenities, President Quirino left.

In reply to a question by the Press as he left the White House, President Quirino said that he and the President had discussed the ques-

⁵ Reference is to a hydroelectric power project then under consideration by the Export-Import Bank.

⁶ In a memorandum of September 4, of a conversation held that day with Akira Matsui, Private Secretary to Mr. Yoshida, William J. Sebald, U.S. Political Adviser to the Supreme Commander for Allied Powers, summarized what Mr. Matsui had told him regarding a conversation held the morning of the 4th between the Prime Minister and Secretary Romulo. Mr. Sebald's summary contains no mention of any discussion of monetary reparations. (Lot 54 D 423: John Foster Dulles Peace Treaty File)

⁷ Not printed.

⁸ President Truman later reconsidered this decision and delayed submission of the Treaty to the Congress until January.

tion of a Pacific pact. (Ambassador Cowen states that neither President ever even referred to the question.)

796.5-MAP/9-1751 : Telegram

The Acting Secretary of State to the Embassy in the Philippines

SECRET

WASHINGTON, September 17, 1951—6 p. m.

897. Harrington from Melby. Urlet Sep 6 re ten million fund,¹ we have not yet discussed question with Def. Dept unable take firm view at present reproposal because of fol combined factors: (a) it contrary basic concept on which Pres based his approval making fund available² (b) impossibility know disposition future Phil Cong re additional funds required and (c) lack compelling evidence need for additional troops.

Emb well aware basic concept mentioned (a) and there no change Dept view re this. Re (b) problem bothering Cowen and me is how these additional troops wld be paid once present funds exhausted particularly since they cld hardly be worth much in less than six mos period and public consequences recruiting and later demobilizing wld be most unfortunate.

Re (c) I have heard unconfirmed reports that Magsaysay believes mil aspect Huk problem so near solution he now beginning consider other ways army can be utilized.

Magsaysay shld be told no decision can be made prior results Nov elections and he shld be given no encouragement expect favorable decision. In meantime Gen Pierson shld make definite mil decision re need for additional troops. Am confident you can impress on Pierson that this question requires coordinated approach. [Melby.]

WEBB

¹ Letter not found in Department of State files. Other documents in file 796.5-MAP for 1951 indicate that the letter concerned a request by Secretary Magsaysay that \$5 million of the \$10 million budgetary assistance fund be used for the creation of additional AFP units.

² See footnote 3, p. 1535.

796.5-MAP/9-1851 : Telegram

The Chargé in the Philippines (Harrington) to the Secretary of State

SECRET

MANILA, September 18, 1951—5 p. m.

NO DISTRIBUTION

1075. Melby eyes only. Re urtel 897 Sept. 17, 6 p. m. Pierson has determined 6,000 additional troops "desirable" and is disposed recommend use of \$5 million to cover maintenance cost for one year pro-

vided assurance forthcoming that both Magsaysay and Quirino will press Congress to appropriate equivalent sum to compensate for needed construction program for which these funds wld otherwise have been used. I have discussed matter with Neri and have insisted on formal exchange of notes along foregoing line. Neri referred matter to Quirino and is awaiting approval. Neither Pierson nor I will recommend use of fund in this manner unless and until Phil Govt prepared to give formal assurance Congress will be urged appropriate compensatory funds. While Phil capacity meet additional expenditure is open to question we believe resources adequate if Congress does not authorize large expenditures for other and possibly less worthy purposes.

Regarding your point (c), I believe Huk situation continues serious and not near solution. Dissolution of Huk force into large number of small groups inevitably complicates problem confronting AFP and terroristic tactics with decapitations are to be expected. A large scale push was launched this morning by AFP. When results are known, we will submit new estimate of Huk situation. Meanwhile, I believe we wld be open to criticism if we failed to give Magsaysay the support he feels necessary at this time.

Pierson and I have telegrams ready to send on this subj if Neri gives Emb assurance requested.¹

HARRINGTON

¹ In telegram 923 to Manila, September 19, drafted by Jonathan B. Bingham, Assistant Director for Non-European Affairs in the Office of International Security Affairs, the Department, with reference to the telegram above, reiterated its position that use of budgetary assistance funds for additional troops was not within the scope of President Truman's authorization. "No action shld be taken until Amb Cowen returns and matter has been thoroughly explored inter-departmentally. Uniform MDAP policy is to limit use of funds to assistance designed to enable recipient country to maintain force levels approved by JCS as essential for security objectives. Defense concurs." (796.5-MAP/9-1851) Documents in file 796.5-MAP for 1951 indicate that Secretary Magsaysay's proposal had become public knowledge in Manila by September 25.

103.11/9-1951

*Memorandum by the Ambassador in the Philippines (Cowen) to the Secretary of State*¹

SECRET

[WASHINGTON,] September 19, 1951.

Subject: Lt. Col. Edward Lansdale

During the past eighteen months Lt. Col. Edward Lansdale has been in Manila attached to JUSMAG. . . . I learn with regret that his tour of duty in the Philippines is approaching completion. In

¹ Memorandum drafted by Mr. Melby.

effect, Colonel Lansdale has been the right hand of the Secretary of National Defense Magsaysay and he has in a large measure been responsible for Magsaysay's success in breaking the backbone of the Huk military forces and in dispersing the Philippine Communist organizational setup. It is inconceivable to me that the Philippine situation would be as favorable as it is without Colonel Lansdale's superb performance. He has lived day and night with Magsaysay at very real risk to himself. He has guided and advised him. He has provided a driving power and when necessary a restraining one and furthermore he has been a better source of intelligence than all the rest of our intelligence efforts put together.

I believe Colonel Lansdale deserves the highest possible commendation for his performance in the Philippines and I would be grateful if my appraisal could be made a part of his official military record.

Manila Post Files : 430.1 Napalm Bomb

Memorandum by the First Secretary of the Embassy in the Philippines (Roper) to the Ambassador (Cowen)

SECRET

[MANILA,] September 24, 1951.

Subject: Napalm Bomb

Colonel Grady Butler telephoned this morning in connection with the napalm bomb. He said that Secretary Magsaysay had spoken again to General Pierson on this subject, and said he was very anxious to begin using the bomb as soon as possible. Colonel Butler wanted to know whether we had any recent information on the subject and, when I answered in the negative, he asked whether the Embassy would send a telegram to the Department inquiring as to the present status of the napalm bomb for the PAF. I told him that I thought it inadvisable to send a telegram in view of your imminent arrival, and the fact that you probably have some recent information on the whole subject. Colonel Butler agreed to wait until your return before pressing the matter further.¹

¹ In telegram DA 82513, received by the JUSMAG in the Philippines on September 9, Army G-3 had stated: "No decision on the issue of Napalm to the Philippines yet forthcoming. State position is that such issuance must not be prejudicial to soonest interests in the Far East. Stated decision awaits results of a discussion of the matter between Ambassador Cowen and yourself upon the Ambassador's return to the Philippines." (Manila Post Files : 430.1 Napalm Bomb)

Ambassador Cowen did not return to Manila until October 15. In a memorandum of October 16 in reply to Mr. Roper, he stated: "There were no further talks in Washington on this subject and it is perfectly agreeable to send a telegram." (Manila Post Files : 430.1 Napalm Bomb) No such telegram of inquiry has been found in State Department files, prior to telegram 1509 from Manila, October 25. (See footnote 4, p. 1573.)

796.5-MAP/9-2651 : Telegram

The Chargé in the Philippines (Harrington) to the Secretary of State

SECRET PRIORITY

MANILA, September 26, 1951—6 p. m.

1176. Embtel 1166, Sept. 25.¹ Gen. Pierson today supplemented his 6490-A, Sept. 25,² to Dept Army with another telegram 6499, Sept. 26,² recommending use of 5 million dollars of 10 million dollar fund now in his possession to enable Magsaysay recruit 6,000 additional troops. In face of heightened Huk activity, Pierson believes it highly desirable give Magsaysay at this time the assistance he finds necessary. Otherwise, Magsaysay will be obliged await congressional appropriation at earliest in Feb.

Assurances have been received orally from both Magsaysay and Neri that Quirino supports proposal and will make every effort induce Congress appropriate equivalent sum either to repay JUSMAG or for construction program for which these funds otherwise would have been used. Assurances also received that Congress will be asked to appropriate funds to meet continuing support additional troops as long as needed thereby removing obligation of US Govt to guarantee troop pay and allowances implied by original grant. Neri prepared exchange notes in foregoing sense.

Financial capacity of Phil Govt to support expense additional troops cannot be predicted with complete confidence. However, believe Phil Govt should be able support those expenses provided it does not authorize large new expenditures for other purposes, and provided prices of major Phil exports do not decline below Aug 1951 levels. Decline export prices would force reduction imports and consequently taxes related to imports. Impossible appraise likelihood Phil Govt will authorize large new expenditures but it will be recalled Bell mission recommended increased expenditures by Phil Govt for various purposes (Embtel 1048, Sept. 14).¹

Pierson and I are aware original 10 million dollar fund was not intended to be used as means of increasing strength Phil Armed Forces but in view of worsened Huk situation, we believe matter should be submitted for consideration without delay, notwithstanding Deptel 923, Sept. 19, 5 p. m.³ We are satisfied that Magsaysay's proposal is motivated solely by Huk situation and is not related to forthcoming elections for which ROTC units will probably be used.⁴

HARRINGTON

¹ Not printed.

² Not found in Department of State files.

³ See footnote 1 to telegram 1075 from Manila, September 18, p. 1566.

⁴ Documents in file 796.5 for 1951 indicate that the Philippine Government renewed its proposal for altering the use of budgetary assistance several times

796.00/9-2851

*The Secretary of State to the Embassy in Manila*¹

CONFIDENTIAL

WASHINGTON, September 28, 1951.

No. 67

The Secretary of State refers to the Embassy's despatches Nos. 1802 of June 15² and 1855 of June 25, 1951,³ concerning courses of action that the United States might take in connection with the forthcoming Philippine elections.

The Embassy expressed its belief that only through a direct approach to the highest government leaders could any substantial results be hoped for leading towards the achievement of honest and peaceful elections in November 1951. The Officer in Charge is, therefore, authorized to make such approaches to Philippine leaders as he deems appropriate and proper.⁴

The Department commends the Embassy for efforts already made to cooperate with civic organizations in promoting honest elections. In response to the request contained in the Embassy's telegram No. 599 of August 10, 1951,³ the Department's public affairs staffs have selected appropriate material concerning participation in and conduct of elections which has been forwarded to the Embassy. Additional

during the Fall of the year. With a letter of December 29 to Mr. Acheson, Acting Secretary of Defense Foster enclosed for the former's concurrence his draft letter to the President, which reads in part: "I consider that the increase of 6,000 troops is desirable in order to improve the effectiveness of the Armed Forces Philippines in suppressing the existing threat to the internal security of the Philippines posed by the Communist-led Hukbalahap movement. Such use of these funds would not be within the purpose stated in your letter of 9 May 1951. However, I recommend your approval of the diversion of \$5 million dollars of these funds for this purpose." (796.5-MSP/12-2951) For excerpt of the letter of May 9, see footnote 3, p. 1535.

¹ Memorandum drafted by Mr. Wanamaker and by Paul A. Miller (also of PSA) and cleared by, among others, Mr. Merchant for FE.

² *Ante*, p. 1546.

³ Not printed.

⁴ In a letter of October 16 to Mr. Wanamaker, James D. Bell, First Secretary of the Embassy in Manila, stated in part: "As early as last June and July Andy Olson and I held a series of informal conversations with some 15 or 20 congressional leaders during which we pointed out U.S. interest in the elections and particularly our desire that they be free and honest. We learned indirectly that the sense of these conversations reached all important people in the government including Quirino. . . . During the first two days of registration, September 28 and 29, Andy Olson went up to Tuguegarao to observe the registration and talked to political leaders of all factions. On the 2nd weekend of registration . . . I went to Cebu and Bacolod . . . Andy left yesterday (paying his own way as the Embassy has no funds) for Misamis and other points in Mindanao. My visit to Bacolod resulted in a flood of inquiries of why an Embassy representative was there and precisely what I was doing. I imagine that Andy's trip will provoke the same wholesome reaction." (Manila Post Files: 350 Political Reporting) Andrew E. Olson was a Second Secretary of Embassy.

material can be provided in accordance with specific Embassy needs as reported to the Department.

In general, it is believed that material related specifically to the local elections made available to civic groups, such as the "National Free Election Movement," should be unattributed in order to be most effective and at the same time safeguard the over-all USIE program. Nevertheless, some carefully selected material might be openly displayed in our libraries. Intensive radio and press coverage of exemplary elections held in other democratic countries might also be desirable.

Additional projects which might be sponsored by USIE include preparation of:

1. unattributed voters' guides and pamphlets;
2. cartoon strips on voting procedures;
3. local radio programs featuring roundtable discussions, quizzes concerning election procedures.

It has occurred to the Department that the Officer in Charge might well have a profitable exchange of views on the elections with the Papal Nuncio,⁵ if in fact such an approach has not already been made. Embassy despatch No. 47 of July 10, 1951⁶ pointed out that the National Secretariat of Catholic Action has chosen for the October issue of its pamphlet series the topic, "The Use of the Vote in Relation to Social Reforms".

⁵ The Apostolic Delegate to the Philippine Government was Msgr. Egidio Vagnozzi, Titular Archbishop of Mira.

⁶ Not printed.

896.10/10-1051

Memorandum of Telephone Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

CONFIDENTIAL

[WASHINGTON,] October 10, 1951.

Subject: Philippine RFS Debt

Participants: Mr. Daniel Bell—President, American Security & Trust Co.

Dean Rusk—Assistant Secretary of State

Mr. Bell said that during Mr. Cuaderno's recent visit¹ the two of them discussed at some length the funding of the Philippine RFC debt.² The present arrangement is that this debt should be paid in two installments, one on January 1, 1952 and the other on January 1,

¹ Governor Cuaderno was in the United States during September.

² Reference is to \$60 million outstanding of loans granted the Philippine Government during 1947 for budgetary purposes. For documentation, see *Foreign Relations*, 1946, vol. VIII, and 1947, vol. VI, pp. 916 ff. and pp. 1102 ff., respectively.

1953. Mr. Bell said that obviously this was too steep a requirement for the Philippines to meet at this time and that he believed it should be funded over a period of ten years at the present interest rate.

Mr. Bell said that he had discussed the refunding of this RFC loan with Mr. Stuart Symington³ and Mr. Symington had indicated that he would be agreeable to the ten-year funding aspect but would look to Treasury with respect to the interest rate. Mr. Bell then talked to Secretary of the Treasury Snyder about the interest rate and pointed out to him that we are now spending a good deal of money in the Philippines for economic and military assistance and that we should not put ourselves in the position of seeming to take back our assistance by charging a higher interest rate on the RFC loan. Mr. Bell said that Secretary Snyder indicated sympathy with the idea and commented "that we should not pat someone on the shoulder and at the same time kick him in the back".

Mr. Bell asked me to call this to the attention of the State Department representatives in NAC in order that the State Department might support the refunding of the RFC loan over a period of ten years at the present rate of interest.

I told Mr. Bell that I would get in touch with Mr. Willard Thorp⁴ immediately and discuss this with him.

³ Administrator, Reconstruction Finance Corporation.

⁴ Assistant Secretary of State for Economic Affairs.

796.00/10-1751 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET PRIORITY

MANILA, October 17, 1951—6 p. m.

1434. Eyes only for McWilliams. Deptel 1172 Oct 15, 2 p. m.¹ In absence of Quirino from Manila on protracted campaign tour since my return,² I have been unable to inform him of my impending reassignment. I shall do so at the earliest opportune time. I did inform Romulo yesterday with injunction information was for him alone. Romulo fears Quirino may attempt influence selection successor such as Weldon Jones,³ who in Quirino's judgment would be more amenable to his and other Phil pressures. However, Department is well aware of importance of selecting successor qualified to hold gains already made.

Since sending mytel 729, Aug 21,⁴ appraising political trend here toward liquidation organized opposition, Quirino has gained con-

¹ Not printed.

² Ambassador Cowen had arrived back in Manila on October 15.

³ J. Weldon Jones, Assistant Director for Fiscal Analysis, Bureau of the Budget.

⁴ See footnote 1, p. 1560.

siderably in strength, machine-wise if not in terms popularity, and possibility single party hegemony becomes pre-eminent. Encouragement of healthy minority therefore becomes more urgent.

Our policy here must be manifested openly, firmly and above all be nonpartisan in character. The Chief of Mission must enjoy high prestige and be strongly supported in Washington to withstand Philippine pressure. A well-known person will have a distinct advantage here in this respect and if Treasury man declines, I urge selection of a person of outstanding prominence such as Spruance⁵ or Radford or pre-eminent businessman. My formal reluctance to recommend military man for post here is outweighed by special situation where insecurity has become major factor in our foreign policy and likewise is important element in Philippine national economy as evidenced by Philippine willingness waive cash reparations in exchange for firm security guarantees.

Although I entirely concur in Humelsine's⁶ desire select successor before my reassignment becomes known and pressures develop I hope early announcement of impending change can be made. There is already speculation emanating from Washington in local press and such speculation and attendant uncertainty are harmful to our high prestige and good relationships. As the Department is aware, I hope to point up our policy toward Philippine people in a tour of the islands prior to my departure. After the announcement of my reassignment is made,⁷ I can make such a tour as a farewell gesture free from any possible connection with Philippine elections. I would prefer to make this trip as far in advance of my departure [as] possible.

COWEN

⁵ Adm. Raymond A. Spruance, USN (Ret.), was appointed Ambassador to the Philippines on January 18, 1952.

⁶ Carlisle H. Humelsine, Deputy Under Secretary of State for Administration.

⁷ After receiving approval from the Department, the Embassy announced on October 23 Ambassador Cowen's reassignment as Consultant to the Secretary of State.

Manila Post Files : 430.1 Napalm Bomb : Telegram

The Chief of the Joint United States Military Advisory Group in the Philippines (Pierson) to the Department of the Army

SECRET

[MANILA,] October 24, 1951—2:45 p. m.

6571. For G-3. Ref: mymsg 6229-A, 21 June 51; ¹ urmsg 96019, 11 July [51]; ¹ mymsg 6272-A, 14 July [51]; ² urmsg 82513, 9 Sept [51]; ³ Subject: Napalm.

¹ Not found in Department of State files.

² *Ante*, p. 1551.

³ Not printed.

1. The issue of napalm to armed forces Phil was discussed with Ambassador Cowen. Amb Cowen has no objection to issue of reqst napalm materials being furn AFP, provided stor of critical parts is under my control and actual use in each specific case is approved by me.

2. ComGen PhilCom and thirteenth AF will provide adequate stor fac.

3. Qual pers are aval within this group to make tgt determination for opn purposes. Intend that no strike be permitted by Phil AF without prior approval by me. Intend that, in the event issue of napalm is finally auth, no issue will be made to AFP until after Nov elections.

4. Urmsg 82513 Amb Cowen will furn statement as to the issue of napalm in relation to soonest interests in Far East.⁴

PIERSON

⁴ In telegram 1509, from Manila, October 25, Ambassador Cowen stated: "I concur in JUSMAG-Phil tel 6571, Oct 24, 1951 to Deptar re use of napalm by Armed Forces Phil." (796.5614/10-2551)

796.5-MAP/10-2551 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET¹

MANILA, October 25, 1951.

1516. Ref Dept circular airgram October 2, 1951, 4:35 p. m.² The following factual summary for inclusion fourth semiannual report on MDAP in Philippines during period April 1 to September 30, 1951.³ Number paragraphs correspond to those listed paragraph 5 referenced airgram.

1. On April 1, 1951 ten additional battalion combat teams were organized and were placed in the field against the Communist Huks as rapidly as they could be manned and trained. With these additional combat units the Philippine armed forces began making increasingly telling blows, particularly during the last three months, against the Huks. This increased all-out aggressiveness, resulting from a steadier and more effective influx of MSP material, made it possible to rout the Huks from their strongholds and break them up into small, widely scattered elements, thus reducing their capability of making a strong show of arms against the government. The fire fights during this period almost equal the number of engagements during the entire

¹ Sent plain text and classified in the Department.

² Not printed.

³ A partial précis of this report appears in *Fourth Semiannual Report to Congress on the Mutual Defense Assistance Program: Message from the President of the United States*, House Document No. 352, 82d Cong., 2d sess., pp. 62-64.

previous 12 months. The fact that the number of Huks killed during this period did not show an appreciable increase in ratio to the increased number of encounters, is indicative of a continuing breaking up of the larger elements. Several large scale campaigns have been conducted against the Huks few remaining strongpoints. While these campaigns have not been entirely satisfactory, the fact that the necessary equipment and material for such campaigns were partially available, greatly bolstered the *esprit de corps* of the government troops. The efficacy of the armed forces has increased in direct relation to the receipt of MSP material. Their continuing effectiveness is dependent on the material expected from the fiscal year 1952 and 1953 programs. During the past 6 months government forces have killed 1,277 Huks, captured 773 and by their growing show of strength have caused the surrender of 3,999. Since April 1, 1950, there have been 3,589 Huks killed including many top field leaders, 1,792 captured and 4,673 surrendered.

Although MSP must be credited to a considerable degree with the success of the current campaign, nevertheless there is a shortage of vital equipment such as motor vehicles, signal equipment, medical equipment, ammunition and many minor items. The lack of these supplies has been felt. The failure to receive them as rapidly as they had hoped has been a disappointment to the leaders of the armed forces who, although cognizant of the overall demand on the MSP, feel that they should be given preferential consideration over those engaged in an actual fighting campaign against Communists.

In spite of their defeats the Huks still have the capability to (1) sabotage vital installations (2) continue propaganda work and conscript recruits (3) harass government forces by propaganda and by raids on small towns and ambushes of patrols and individuals. (4) increase espionage activities (5) retard economic development by sabotage and by attacks on mines, trucks, freight transports and other similar enterprises and by kidnapping officials of such enterprises.

The material program for fiscal year 1952 was designed to provide essential equipment required to carry on the all-out guerrilla type warfare that was indicated by the initial breaking up of the Huk forces. Until the flow of this 1952 equipment is stepped up the Huks will retain the majority of the capabilities described.

The fiscal year 1953 mutual security program for the Philippines was completed in September. With the exception of some jet aircraft and equipment, this program is designed primarily to furnish the armed forces with the major equipment necessary for them to carry on after June 1953 with only the financial support of their own government. This is necessarily predicated on the eventual receipt of all material programmed for fiscal years 1951 and 1952.

2. Events of the past few months have deprived the Communist party in the Philippines of two valuable aids in its fight to overthrow the government and have therefore caused the party to rely more and more on the HMB, its fighting arm. The verdict of the trial of some Communist leaders in May condemned them as traitorous agents of a foreign power seeking to enslave the Philippines, as thieves and murderers of innocent Filipinos and wanton destroyers of public and private property. The verdict also declared the Communist party to be an illegal association and membership in it a crime. Although the Communist party has not functioned openly as a political party for some time in the Philippines, this verdict serves to emphasize further its illegal character and its criminal activities, as a deterrent to those who might otherwise be persuaded to join it. Following this trial the legal registration of the congress of labor organizations, a Communist-controlled group of trade unions, was cancelled, thereby depriving it of all legal status and severing from its control several thousands of members. As a result, the unions which formed the congress have turned elsewhere for affiliation or have reorganized.

As a consequence, the Communists cannot function as a legal party in the Philippines (unless the verdict of the trial is reversed by the Supreme Court) and have lost control over a considerable group of trade unions, which leaves them now only the choice of continuing with their armed fight against the government and increasing their efforts to gain followers among the farming population.

No analysis of Soviet intentions is possible from this point, but it appears obvious that the Communists of the Philippines are following the orders of the Soviets in their attempt to overthrow the government by force of arms, and that they enjoy the blessings of the Kremlin, as is indicated by reports on the HMB which have appeared in the Soviet press. The Philippine Communist plans to increase party membership greatly, expand its armed forces into a regular army, to establish liberated areas where they would set up provisional governments after the Chinese Communist pattern, have until now proved impossible to implement and the entire timetable of the Communists has been disrupted perhaps indefinitely, because of the increasing effectiveness of the forces opposing them.

3. While it is far from stable, the economy of the Philippines has increased to a point where the final goal of stability can be reached. This economic improvement is closely related to the results obtained by the country's armed forces in the field, because actual stability depends greatly upon complete destruction of the Communistic Huks. There is a possibility that the Philippine Government might incur a budgetary surplus during fiscal year 1952. Although it is difficult

to arrive at reliable estimates of the cash position of the government, it is significant to note that the October 9, 1951 statement of daily balances prepared by the Department of Finance reported 63,800,000 pesos available in cash in the general fund, with additional cash in a combination of the bond fund, trust funds, ECA counterpart fund etc, plus special deposits, amounting to 150,400,000 pesos. While the foregoing is purely academic, the facts that (1) in March 1951 the Philippine Government requested a loan ⁴ from the United States to insure payment of its armed forces and (2) that in the following June the loan was converted to a construction program for storing and maintaining MSP material and (3) that the following September the Philippine Government volunteered to seek congressional support for a 6000 man augmentation of its armed forces are concrete indications of the bettering economic position of the country.

4 and 5. The Philippine Government and the Filipinos as a whole are well aware that the material and services which they are obtaining under MDAP are indispensable for the fight against the HMB and for the maintenance of internal security. Because of the old ties of friendship between their country and the United States and because of the frequent reiteration of the principle that the Philippines occupies a unique position within the framework of American foreign policy, the Filipinos naturally look to the United States for material aid and advice. Although the routine delivery over a period of months of basic but unexciting items does not obtain much publicity, spokesmen for the government, and particularly for the armed forces, have emphasized to the public on certain occasions that this aid is arriving and that it is vital.

The knowledge that the United States is supplying most of the material needed by the armed forces and that it shows every indication of continuing to do so during the crisis arising from the efforts of the HMB, is undoubtedly a strong factor in upholding the morale of the Filipinos. This optimism arising from the assurance of American aid in the fighting against internal enemies was, of course, heightened still more by the signing of the mutual defense pact which guarantees aid against external aggressors.

The single negative side to the attitude of the public is the fear expressed occasionally, particularly if supplies do not arrive when scheduled, that the United States is giving first priority to the military needs of Europe. As a consequence, the opinion has sometimes been expressed that the Philippines might be abandoned if Europe should place overwhelming demands on the resources of the United States.

⁴ All other sources refer to this request as one for a grant. See Mr. Rusk's memorandum of March 29 to Secretary Acheson, p. 1526.

However, the mutual defense pact now has removed the principle grounds for this fear.

COWEN

796.5614/11-251 : Telegram

The Ambassador in the Philippines (Cowen) to the Secretary of State

SECRET

[MANILA,] November 2, 1951.

1624. Re Deptel 1345 Oct 30.¹ Emb and JUSMAG have discussed same with following results:

(1) Phil armed forces are prepared to purchase napalm from own funds if necessary.

(2) They are fully aware of the cost but believe potential troop-saving factor in end-use this material more important than cost factor. JUSMAG and Emb concur.

(3) Cost not exorbitant; JUSMAG FY 52 and 53 MSP provide for only \$26,000 total expenditure for napalm.

(4) Conditional sale as stated in Sec 408 (e), may require only the assurance from Phil that material will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in defense of area it is part of or in UN collective security arrangements and measures, and that it will not undertake any act of aggression against any other state. If issued by USMSP grant, foregoing provisions will be required, with additional local provisions that material be stored by US military agency and be issued only after JUSMAG approval of proposed strike. The foregoing local provisions can be imposed without question if napalm furnished by USMSP grant.

(5) JUSMAG and Emb believe that authorizing Phil to buy material under JUSMAG proposed USMSP control provisions would be impractical.

(6) JUSMAG and Emb recommend napalm be furnished under USMSP, and in accordance with the control pattern suggested in JUSMAG's 6571.²

COWEN

¹ In that telegram the Department had requested a joint Embassy-JUSMAG recommendation as to whether the proposed supply of napalm bombs for the AFP should be funded on a grant or a reimbursable basis. "Considering (1) Phils originally requested purchase Napalm bombs (2) paying wld impress them with cost factor and (3) as controls cld be imposed by conditional sale sec 408 (e) basis may be preferable. However grant aid wld avoid possible irritation conditional sale stipulations and control might be more effective. Submit recommendation soonest." (796.5614/103051)

² October 24, p. 1572.

896.00-TA/11-651

*Memorandum by the Attaché of the Embassy in the Philippines (Ely)
to the Ambassador (Cowen)*

CONFIDENTIAL

[MANILA,] November 6, 1951.

Subject: Observations on ECA

I spent the entire morning today at a staff meeting in Dr. Renne's¹ office. He had present two men from the Washington Office for a general discussion of the ECA Program in the Philippines as envisioned by Washington upon which they wanted local comment.

Most of the discussion had to do with the so-called "Village Approach" method which seems to be strongly favored by Washington. Dr. Renne's staff, almost to a man, objected to this concept and I believe correctly. They pointed out the highly centralized operation of the Philippine Government, the difficulty of finding any one man who could be stationed in the village who could do effective work on the widely different problems as for example, health, land problems, tax administration, etc., and also the much more fundamental objection that there were thousands upon thousands of villages and even if a small number of model communities could be set up they would have little impact on the economy as a whole.

Another thing mentioned which troubled me was the suggestion that the ECA should not try to recruit highly specialized employees but should get people with the proper broad, general background. A specific example of what I mean was a remark attributed to Mr. Foster objecting to the employment of an expert solely for work on fiber diseases, referring to Dr. Reinking's employment for the study of the control of the Mosaic disease in Abaca. I took it upon myself to object to the attitude, pointing out that the Philippines was faced with something which threatened to destroy one of their major export crops which was also a product high on the list of strategic materials in the U.S. and I thought if there was any one thing the ECA ought to do it was to help on that sort of thing.

My observation at this and previous staff meetings at ECA leave me very definitely with the feeling that one of the major weaknesses of the program is the attempt to direct it in too much detail from Washington by people who have little knowledge of actual conditions in the Philippines. Perhaps this is an exaggeration, but they seem to regard the country as one with a primitive civilization where they have to start from scratch. They overlook the fact I believe, that the Philippines already has, on paper at least, a fairly good set-up organizationally and particularly, they overlook the fact that the Government is a highly centralized one where local officials have virtually no

¹ Dr. Karl Renne had become Chief of the STEM in the Philippines in August of 1951.

authority or money to spend except as authorized in Manila. I think they fail to understand that many of the local representatives of the Department of Health, the Department of Agriculture and organizations like that know better than they give them credit for, what ought to be done but are unable to do anything because they get from Manila no money and no moral encouragement or support when they do their duty.

These men in the field given intelligent direction and support, adequate personnel and funds, security in their jobs regardless of whose toes they may tread on, will do a lot better job than people in Washington give them credit for. Victor Heiser, for example, did an outstanding job in health work in the Philippines with personnel who were probably not nearly so well trained basically as those available now but he did it because his people knew they were receiving intelligent and workable instructions, that he would back them up, and that he would reward outstanding service. I believe that the major weakness of the Philippine Government today is a lack, at the top, of men who are regarded by their subordinates as sound either professionally or morally and that that accounts for the low morale and petty corruption of the minor employees of the Government. What can be done in this respect is well illustrated in the case of Magsaysay.

The ECA, I believe, has some very high grade men on their staff, Bell and Gannt in Agriculture, Monk in tax work, Ketchum in Engineering, Taylor in Public Works and others. They know what ought to be done and my own personal opinion, for whatever it is worth, is that Washington would be well advised to pay more attention to them and insist that the Philippine Government pay attention to and take action on their recommendations. We should work from the top down and not from the bottom up. We can build up the finest organization in the world in a village but it will do no good if we then go away and leave them at the mercy of the same incompetent supervision from the top that they now get.

796.5614/11-251

Memorandum by the Acting Director for International Security Affairs (Bell) to the Director of the Office of Military Assistance, Department of Defense (Olmsted)

SECRET

[WASHINGTON,] November 9, 1951.

Subject: Napalm Bombs for the Philippines

In connection with the immediate background of the above subject, reference is made to the following telegrams:

Incoming JUSMAG telegram no. 6571 of Oct. 25 [24], 1951.¹

¹ *Ante*, p. 1572.

Incoming Embassy Manila telegram 1509 of Oct. 25, 1951 ²
Outgoing State telegram to Manila no. 1345 of Oct. 30, 1951 ³
Incoming Embassy Manila telegram no. 1624 of Nov. 2, 1951

In view of the joint Embassy-JUSMAG recommendations, the Department of State views are the following:

(1) Regarding control of napalm bombs, the Department of State, with the following condition, agrees with the procedure outlined in the JUSMAG telegram no. 6571. It is the belief of the Department of State that the procedure should be amended to provide for consultation and agreement between the Chief of JUSMAG and the Chief of the Diplomatic Mission prior to the use of napalm. It will be recalled that General Bradley, in his letter dated June 25, 1951, to Ambassador Cowen agreed that use of napalm bombs by the Philippine armed forces ". . . is very largely a political problem." Thus, the Department of State believes that decision to permit the Filipinos to employ napalm should be after joint political-military agreement.⁴

(2) The Department of State agrees with the Embassy-JUSMAG recommendation that napalm be made available to the Philippine armed forces on a grant basis, and recommends that provision be made in the Philippine Fiscal Year 1952 military aid program for appropriate quantities.

JOHN O. BELL

² See footnote 4, p. 1573.

³ See footnote 1, p. 1577.

⁴ In telegram 6613, to G-3, Department of the Army, November 17, General Pierson stated: "I have again consulted with Embassy on control of napalm and both Embassy and JUSMAG agree that the controls enumerated in JUSMAG 6571 fully serve the purpose recm by State and that further consultation and agreement between Embassy and me prior to use of napalm not nec." (Manila Post Files: 430.1 Napalm Bomb)

896.10/11-951

Memorandum by Mr. John F. Shaw of the Office of Philippine and Southeast Asian Affairs to the Acting Officer in Charge of Economic Affairs in that Office (Tyson)

CONFIDENTIAL

[WASHINGTON,] November 9, 1951.

Subject: Meeting of the NAC Working Group on Refunding of the RFC Loan to the Philippines.

The NAC Working Group met on Thursday, November 8 to consider the preparation of a staff document for the NAC relating to the refunding of the RFC loan. The document drafted by Treasury officials and presented to the Working Group is attached.¹

During the course of the discussion Mr. Penick of the RFC ² circulated an opinion of the corporation's legal counsel to the effect that

¹ Not found attached.

² J. Dabney Penick, Consultant to the Administrator.

the RFC was unable to refund these loans of \$60 million but might be able to extend the loans. Mr. Penick explained that the loans were made initially pursuant to Section 3, Public Law 656, 79th Congress³ and that the RFC authority with respect to these loans expired July 1, 1947. Consequently the RFC has no authority to refund the loans. The legal counsel, however, was of the opinion that the corporation's administrative responsibility in connection with these loans continued and that the corporation could take action, postponing the due date. Mr. Penick also noted that the RFC was unable to do anything on the loan due in 1953 since it was not clear at the present time as to whether the Philippines might default on this loan. He said that the RFC hoped to be able to sell these loans to the Export-Import Bank.

The Export-Import Bank representative, Mr. Lynch, apparently had no instructions as to the position which the Bank might take with respect to these loans. The opinions which he expressed during the meeting were his own. He seemed strongly of the opinion that refinancing of these loans would place them in the category of new loans. Initially the RFC loans had been made for budgetary purposes. The Philippine Government now wishes them refinanced because of the hardship which repayment of these loans would now make upon efforts of the Philippines to further their economic development. He argued strongly for higher interest rates if the loans were to be refinanced, pointing out that the Philippine Central Bank charges 4½% interest for its loans. Others present also seemed to be of the opinion that the Philippines will have to pay at a higher interest rate if the loans are refunded. The RFC representative spoke in favor of an interest rate which might be adjusted in accordance with the cost of borrowing money over the next ten years.

The legal problem raised by RFC appears to have stalled NAC action for the present on the Philippine application for extension of the due date on these loans. In the meantime the RFC is to re-examine its position with respect to refunding the loans; the State Department was requested to submit its views on refunding for incorporation into the staff document prepared by the Working Group.⁴

³ 60 Stat. 901.

⁴ In telegram 1823, from Manila, November 19, directed to ECA and the Treasury Department as well as to the State Department, Chargé Harrington, Dr. Remne, and Mr. May jointly recommended refunding of the RFC loans on economic, financial and political grounds. They emphasized in part that strain on the Philippine balance of payments was to be avoided and stated a preference that the interest rate under refunding not be raised. "*Quid pro quos* which US Govt might exact in event refunding approved we might seek obtain strong Phil Govt statement re determination effectively enforce income tax collections minimum wage legislation and agric reform programs along lines proposed by STEM. Also we might request concessions re mil bases." (896.10/11-1951)

FRC Lot 53 A 278 : ECA Cable File

*The ECA Acting Administrator (Wood) to the Embassy in the
Philippines*

CONFIDENTIAL

WASHINGTON, November 10, 1951—5:20 p. m.

PRIORITY

Subject—Program Objectives and Industrialization

Reference—Toeca 1033 ¹

Ecato 1445. 1. Purpose this message is present for STEM review and comment statement re program objectives and industrialization FY 52 and 53 programs. This purpose best achieved in longer statement, but imminence budget presentation requires cable. Appreciate STEM comments soonest.

2. Major econ objectives next para selected because possible make significant progress their achievement with material things provided by ECA program. Other objectives (Reform, Impact, Morale, etc.) not ruled out but fall under following heads, and as such should be distinguished from major program objectives: (a) Those too broad to serve as explicit criteria against which programmed activities are measurable (e.g., morale, econ stability, moderating maldistribution wealth and income); (b) those more readily accomplished by exhortation and persuasion than by utilization material things provided ECA program (e.g., agrarian reform, tax and wage legislation); (c) those which involve short-term political gains, with emphasis immediate boost in consumption and unlikely therefore have lasting econ effects; (d) those desirable but classifiable under some main objective (e.g., increase productivity); and (e) those not themselves objectives but methods for achieving objectives (e.g., technical training). This para intended show desirability classify and limit objectives in order reduce them manageable proportions programwise.

3. Propose three major interrelated program objectives, all to be achieved rapidly as possible: (a) significant increase total indigenous output commodities essential welfare masses, applicable particularly to type goods now imported; (b) significant increase new work opportunities via dual approach of increasing opportunities existing occupations and establishing productive and distributive facilities new to Phil econ structure; and (c) significant increase number and kinds business units producing essential commodities. This aim highly important because econ development likely produce significant results only if process self-generating, i.e., not so dependent for perpetuation upon govt initiative; key to this lies in private hands.

¹ Not printed.

4. Re 3 (c). To divert private capital now either idle or unproductively employed into productive pursuits, powerful instrument needed. Development corp technique used Latin America and elsewhere and recommended somewhat different form by Bell Mission would be one instrument. Corp would extend loans or take equity participations and use other techniques and inducements necessary encourage industrial and other feasible projects. Prepared use counterpart funds provide all or part initial capitalization such corp. Interested your views this proposal and suggestions re contribution from counterpart funds. Understand Araneta working on charter for corp. What is current status?

5. Re para 4. If work on charter lagging, suggest you consider adaptation RFC² or NDC³ or other govt corp as interim or perhaps permanent instrumentality for extension aid private capital. Stress need for enlisting private initiative connection ECA program in order help meet situation discussed Arnold letter Renne Oct. 12 FEPD #91.⁴ Propose you consider allocation this purpose counterpart pesos ten (P10) mill FY 52 and twenty (P20) million FY 53. In addition, prepared extend dollar aid to finance new industrial investment deemed desirable by dev corp. If you agree, request you recommend modifications your FY 52 and 53 program submissions to accommodate both dollar and counterpart allotments this project, and cable soonest for Budget Bureau submission brief justification amounts proposed.

6. In order give further meaning to major aims listed para 3 above note that ECA program, if integral part Phil development effort, could extend aid in four major fields of endeavor: production of goods; resettlement; public works; and basic government services. Relationship these fields to aims para 3 very direct. Progress first and second fields would directly increase output and work opportunities; in fact, progress first field (especially industry) could provide stimulus for expansion productive business units. Progress third field vital prerequisite for increase output and work opportunities. Progress last field necessary for support activity other fields. Extent ECA aid each field should be designed of course achieve three aims rapidly as possible. Note this does not rule out fields endeavor (e.g., agrarian reform) applicable to objectives para 2.

7. In separate cables will further review FY 53 program in terms above aims and fields endeavor. This connection wish express our appreciation of vol work and effort you and staff have put into FY 53 program.

Wood

² The Rehabilitation Finance Corporation, an agency of the Philippine Government.

³ The National Development Council, an agency of the Philippine Government.

⁴ Not found in Department of State files.

796.00/11-2051 : Telegram

*The Chargé in Manila (Harrington) to the Secretary of State*¹

CONFIDENTIAL

MANILA, November 20, 1951—5 a. m.

1840. Emb officers have discussed recent elections² with Nacionalista Party Pres Sen Rodriguez, Senators-elect Laurel and Verano³ and other Nacionalista Party leaders who in agreement on fol points:

They unanimously agree most important factor in making elections free and honest and thereby resulting in Nacionalista victory was US attitude. They are unanimous praise of Magsaysay and several indicated their belief Magsaysay's presence in cabinet due to US.

Delgado and Rodriguez have both told us Nacionalista must take stand for reparations. Laurel frankly admitted that this was domestic politic issue and that it was essential to demand reparations because of public opinion. However, they both said that problem required thorough study and that they wld predict their members of senate wld not permit the issue get out of hand and that slow and deliberate consideration was essential. When asked what Phils wld have to gain by refusing to ratify treaty Laurel stated Phils wld lose very little by refusing to ratify. All Nacionalistas we have talked to feel that some kind of specific commitment by Jap must be obtained before the treaty can be ratified. Verano who is inclined to be emotional sticks to the one point that there must be reparations. Delgado told [indecipherable] that Nacionalistas wld reiterate their reparations demand when treaty was submitted to Senate but wld vote to ratify with reservations. Nacionalistas assure us there has been no party caucus on this question and we do not believe majority have discussed it seriously or at length with Recto who will probably also be member of new Senate. Recto influence considerable and we fear he may be for rejection.

It is suggested that Dept may wish to consider advisability of informal discussions between our mission in Tokyo and [indecipherable] Jap auths concerning possibility of definite Jap commitment to Phils within terms treaty. Even if such commitment did not go beyond a token payment in services it wld probably aid in obtaining Nacionalista approval of treaty in Senate.

Our relations with Nacionalistas are at moment excellent because of their interpretation of our part in elections. At same time Quirino is convinced that admin must embark on program of major social and econ reforms. In view these circumstances we believe present is

¹ Ambassador Cowen had left for Washington on November 14.

² Held November 13.

³ Felisberto Verano.

appropriate for US to push for reforms contemplated in Foster-Quirino agreement particularly land reform and labor legislation.

Rptd info Tokyo 52.

HARRINGTON

FRC Lot 53 A 278 : ECA Cable File

The STEM Chief in the Philippines (Renne) to the ECA Acting Administrator (Bissell)

CONFIDENTIAL

MANILA, November 21, 1951—9 p. m.

Toeca 1571. Re Ecato 1445,¹ program goals.

1. Appreciate fullest your need have specific program objectives and desirability state them in quantitatively measurable terms. Believe objectives you propose are significant but by no means only major goals. Cannot agree selection or rejection major program objectives should depend on measurability in standard units. Even this test, however, would permit inclusion very important objectives you omitted from list major objectives, such as, (a) financial stability as reflected govt budget, money supply, price and wage relationships, et cetera, (b) balance foreign receipts and payments, (c) real income distribution, (d) land and property ownership as reflected size holdings, percentage tenancy, private investments.

2. Believe will be possible obtain measurements of progress toward most our objectives in spite of statistical limitations in Phils. Fact that it may be difficult quantitatively measure progress toward some objectives does not in our opinion detract from their legitimacy or necessity in presenting to executive, legislative and US and foreign public the aims of program.

3. Are deeply concerned about major shift in emphasis suggested your para 2. Do not believe any less urgent concentrate on social, political objectives in period ahead than formerly. This abundantly confirmed by testimony mission chiefs Baguio and reflected proposed action program statement Ecato 1440.² Indication your para 2 that agrarian reform, tax and wage legislation and moderating maldistribution wealth and income although "not ruled out" no longer major program objectives is irreconcilable spirit and letter Foster-Quirino agreement and bilateral, also inconsistent numerous ECA policy expressions, press releases, report to Public Advisory Board, emphasis on land reform etc. Near-exclusive emphasis on increasing physical production, while downgrading other major objectives outlined para 5 below would seriously unbalance these basic means of carrying out US overall policy. Fear proposed shift in emphasis might

¹ Dated November 10, p. 1582.

² See copy of ECA telegram dated November 9, p. 103.

cause serious let-down and greatly diminish value ECA operations in combatting communism in Phils, SEA.

4. Equally concerned, if we understand your cable correctly, at indicated misconception feasible ECA operating methods Phils. Exhortation-persuasion not effective Phils unless backed by material incentives. Program recommendations from beginning this mission have emphasized and continue emphasize use of materials provide ECA program as leverage to accomplish reform without which aid to specific installations and even fullest success in increasing production on projects where ECA applied cannot make program truly effective. Believe substantial progress already achieved in tax and wage legislation using this technique. Expect make progress agricultural extension, other social, economic, administrative reforms and legislative improvement coming sessions. Use of material things to inspire these actions will continue to be of utmost importance. Reforms which are and should remain major objectives (see para 3 above) most difficult to achieve over resistance powerful *status quo* beneficiaries and inertia, in articulateness, lack of organization broad masses. Your apparent assumption that such objectives achievable by "exhortation and persuasion" or that recent tax and wage legislation was so achieved, is profound misreading of facts and realities Phil situation. There was clear recognition on part Phils that enacting such reforms was prerequisite to ECA material aid.

5. Recommend that statements to Budget Bureau executive working groups, Congressional committees should present, subject your judgment in phrasing, the following major objectives as means of carrying out US policy of building internal strength in Phils:

(a) Increasing productivity Phil economy through research; application results research; improved techniques, modern tools, and other production aids; training manpower; increased and redirected national investment in productive enterprise; expanded utilization natural resources; et cetera.

(b) Raising standard living large masses Phil people through more equitable distribution Phil national income, including distribution economic results of successful achievement objectives (a) above, by means legislative and administrative reforms especially land reform; rural credit; revision tax system; improvement health and housing conditions; settlement in under-populated areas, et cetera.

(c) Improving government administration and institutions through expert guidance; service and overseas training of govt officials; legislative, budgetary and organization reforms; improvement of planning, research and enforcement: lifting of standards of remuneration your govt service, governmental integrity, et cetera.

6. Objectives stated para 5 above to be achieved through (a) ECA dollar purchases of commodities, (b) provision of technical assistance,

(c) use of counterpart funds, (d) maximum degree of redirection Phil Govt and private resources and investment, (e) legislative, fiscal and administrative action.

7. Appreciate large job you have in making this presentation and wish assure you of every possible assistance. Remainder points Ecato 1445 covered separate cable.³

RENNE

³ Toeca 1570, November 21, not printed. (FRC Lot 53 A 278)

796.001/11-2951

The Chargé in the Philippines (Harrington) to the Director of the Office of Philippine and Southeast Asian Affairs (Lacy)

CONFIDENTIAL

MANILA, November 29, 1951.

OFFICIAL INFORMAL

DEAR BILL: I enclose copies of a recent report and recommendations on land tenancy problem in the Philippines, a copy of a letter which Dr. Renne, Chief of the ECA Mission, plans to send to President Quirino, and a copy of a letter concerning this report from the Agricultural Attaché here to Ambassador Cowen.¹

I have read the enclosures carefully and although I do not presume to assess the technical validity of the ECA proposal, I feel most strongly that the Department and the Embassy should, for political reasons, give full support to plans which offer a solution to the tenancy problem which lies at the base of the dissidents in Central Luzon.

The recent election and the suspension of Governor Lacson of Negros by President Quirino demonstrate that tremendous strides are being made toward achieving political democracy in the Philippines. As you know, the Huk situation has improved measurably over the last year. The next step beyond political democracy and one which would strike at the roots of discontent which drive Filipinos into the Huk movement is an attack on the land tenancy problem. Without exception, those who have any understanding of the Philippine problem agree that the Huks cannot be completely eliminated through military force and that action must be taken to eliminate, as far as is possible, the conditions which permit recruitment by the Huks.

President Quirino has told me personally and has stated publicly, since the election, that he will devote his remaining two years in office to economic development and agricultural reform with emphasis on the problems of tenancy and land distribution. In private conversations, members of my staff have been told by Nacionalista senators

¹ None found attached.

that a program of land reform would probably receive support from a considerable number of senate members at this time. I am convinced that there could be no more propitious moment to obtain passage of the necessary legislation for genuine land reform than now. Both major political parties are fully cognizant of the necessity of gaining public confidence. As is pointed out in this report studies of the land situation in the Philippines have been almost without number since the days of William Howard Taft² and that further consideration by learned committees without action would accomplish little.

Because of the importance of this program and its urgency in light of the present political situation, I recommend most strongly that the Department instruct the Embassy to support the proposed plan if it meets with the approval of the appropriate technical authorities. We would appreciate an answer in the shortest time possible. I might also suggest that it would be worthwhile to obtain the views of Mr. Stanley Andrews, Director of the Office of Foreign Agricultural Relations, Department of Agriculture.

Sincerely yours,

JULIAN F. HARRINGTON

² Governor General of the Philippines, 1901-1904.

796.5-MAP/11-2951

Memorandum by the Acting Director for International Security Affairs (Merchant) to the Director of the Office of Military Assistance, Department of Defense (Olmsted)

SECRET

[WASHINGTON,] November 29, 1951.

Subject: Napalm Bombs for the Philippines

Reference is made to your memorandum dated November 21, 1951,¹ on the above subject. In the light of that memorandum, the Department of State has reviewed its recommendation contained in the memorandum dated November 9, 1951,² to which you refer.

While it is correct that the technique of the employment of napalm is properly an exclusively military matter, the Department of State does not agree that, once the use of napalm bombs in the Philippines is approved in principle, all subsequent employment of such bombs is exclusively a subject for military determination. For example, the Department of State does not concur with the view that the selection of a center of Philippine population as a target for napalm bombing would be "entirely a military matter".

¹ Not found in Department of State files.

² *Ante*, p. 1579.

In view of your memorandum under reference, and taking into account its above-expressed point of view, the Department of State hereby revises numbered paragraph (1) of its memorandum of November 9, 1951, to read as follows:

"(1) Regarding control of napalm bombs, the Department of State, with the two following understandings, agrees with the procedure outlined in JUSMAG telegram no. 6571:³ (a) whenever the selection of a target affects a center of Philippine population, authorization to use napalm bombs shall have been the prior joint agreement of the Chief of the diplomatic mission and the Chief of JUSMAG and (b) the initial employment of such bombs shall be the subject of prior joint specific agreement between the two cited Chiefs who, after the effects of the initial bombing have been evaluated, will submit a joint recommendation as to whether they consider the procedure outlined in the JUSMAG telegram no. 6571, as amended by understanding (a) above, is adequate to cover subsequent employment of napalm bombs."

Apart from the foregoing recommended revision, it is the belief of the Department of State that it would be desirable that the JUSMAG furnish the Embassy with reports of each authorized napalm-employing mission carried out by the Philippine armed forces so that the Embassy would be currently and accurately aware of the number, nature, and results of such missions.

The Department of State requests the concurrence of the Department of Defense with the above-proposed modification of the November 9, 1951, memorandum. Also, the Department of State would be pleased to have your agreement with the recommended reporting.

LIVINGSTON T. MERCHANT

³ October 24, p. 1572.

Lot 60 D 147

*Minutes of the 187th Meeting of the National Advisory Council on
International Monetary and Financial Problems*

SECRET

[WASHINGTON,] December 7, 1951.

[Here follows a complete list of the attendants at the meeting. Those whose remarks are recorded are identified in the text.]

RFC \$60 MILLION LOAN TO THE REPUBLIC OF THE PHILIPPINES

Mr. Glendinning¹ explained that the Government of the Philippines had raised, with the Reconstruction Finance Corporation, the question of a possible extension of maturities for \$60 million of out-

¹ C. Dillon Glendinning, Secretary of the NAC.

standing indebtedness to the RFC, \$25 million maturing on January 1, 1952, and \$35 million on July 1, 1953. He pointed out that, in the Staff Committee, representatives of the RFC indicated that they regarded themselves as agents, and were requesting the advice of the Council regarding an orderly liquidation of the loan. The action prepared for the Council by the Staff Committee recommends increasing the interest rate from 2 to 2½ percent and extending maturities either 6 or 10 years. The majority of Staff Members felt that 10 years would be preferable, based on findings of the Bell Mission, recent developments in Philippine finance, and the smaller annual burden on the Philippine economy. In support of the 6 year maturities, Mr. Glendinning noted that mention had been made of possible additional Philippine financing by the Export-Import Bank. Thus, with a period of grace on these new loans, and 6 year maturities on the RFC credits, roughly equal annual servicing requirements could result over the next decade.

Speaking at the invitation of the Chairman,² Mr. Potts³ observed that the Reconstruction Finance Corporation considers itself in the nature of fiscal agent for the United States Government in this case since the credits are outside the normal purview of the RFC. While in accord with the Staff Committee recommendations, the RFC would like to see the 6 year term adopted, but if the Council decided on a 10 year maturity, the RFC would prefer a 3 percent interest rate. Concerning the legality of the extension, Mr. Potts remarked that the RFC believed that it had the power to take whatever action appeared necessary to result in a more orderly liquidation of the indebtedness but not to terminate the old indebtedness. Thus the proposed extension would take the form of a supplemental agreement.

The Chairman said that there appeared to be two questions up for decision: (1) agreement with respect to extension of the credits by the RFC, with repayment at an interest rate of 2½ percent commencing January 1, 1952, and (2) the term of maturity. In connection with the latter point, Mr. Thorp commented that field representatives of the various United States Government agencies were in agreement on a 10 year maturity. He pointed out that the Bell Mission Report also recommended 10 years, and stressed the recent favorable actions taken by the Philippines to meet the recommendations put to them by the Bell Mission. Concerning the interest rate, Mr. Thorp recalled that the earlier 2 percent rate was set not as a profitable banking transaction, but as one that would at least cover the cost of money to the United States Government. He concluded by stating that the State

²The Acting Chairman of the NAC at this meeting was Herbert E. Gaston, Chairman, Export-Import Bank.

³Ramsey Potts, representing the RFC.

Department recommended adoption of a 10 year maturity, and an interest rate of 2½ percent.

With reference to Mr. Glendinning's statement that a 6 year maturity would tend to level out repayments over the entire period, Mr. Cleveland⁴ inquired about what new loans were in prospect for the Philippines. The Chairman replied that the Export-Import Bank was considering a \$15 million power loan,⁵ plus certain other projects. Mr. Cleveland added that he was in general agreement with Mr. Thorp on both the longer maturity and the 2½ percent interest rate. He cautioned that once the criterion of cost to the Treasury is abandoned, he could see no other criteria to adhere to in setting a rate. He concluded by noting that past ECA loans have been made at 2½ percent, and that MSA expects to make additional "forced" loans this year (under the 10 percent clause) at a similar rate.

The Chairman indicated that he had hoped that the rate on "forced" loans would be a little higher than the existing rate on ECA loans. He then referred to the Bell Mission Report, pointing out that some of the members of the Mission felt strongly that the 2 percent rate should be continued. In his opinion, however, such a rate seemed out of the picture, since it would involve a loss to the lending agency.

Mr. Szymczak⁶ requested the views of the Export-Import Bank as to both an appropriate maturity and interest rate, and concurred in Mr. Gaston's reply that 10 years at 2½ percent would be appropriate. Mr. Potts called the Council's attention to the manner in which a draft letter to the Philippines should be phrased, noting that the Philippine Government had offered "budgetary difficulties" as a reason for the requested extension. He said that he would prefer to simply state in the reply that it was contemplated at the time the original loan was made that a re-examination of terms would be considered at a later date. Accordingly, the RFC would now like to enter into a supplemental agreement. He emphasized that the RFC wished to avoid leaving the impression with the Philippines that if they have future budgetary difficulties, favorable consideration would be given to further extensions.

The Chairman observed that there appeared to be unanimous approval for a 10 year maturity at 2½ percent interest, with 20 equal semi-annual installments beginning January 1, 1952. He added that

⁴ Harlan Cleveland, Deputy Assistant Administrator for Program, ECA.

⁵ Reference is to discussions underway between the Bank and the Philippine Government regarding the Ambuklao hydroelectric project. In a telephone poll completed January 7, 1952, the NAC approved consideration by the Bank of a 20 year \$20 million credit for this purpose at an interest rate of 4%. (NAC Document No. 88, Action No. 518; Lot 60 D 137)

⁶ M. S. Szymczak, Member of the Board of Governors, Federal Reserve System.

it should be understood that this information was to be regarded only as advice to the RFC in reply to their request. Without further discussion, the recommended action was adopted.

Action: The following action was taken (Action No. 508) :

The National Advisory Council recommends, for the orderly liquidation of the loans, that the Reconstruction Finance Corporation extend the maturity of its credits to the Philippine Government. Repayment should be provided for on the basis of 20 equal semi-annual payments of principal at an interest rate of 2½ percent per annum on the principal outstanding, with the first payment of principal due on January 1, 1952.⁷

⁷ A new loan agreement incorporating these terms, not printed, was signed by Governor Cuaderno on behalf of the Philippines December 28. (NAC Document No. 1240)

FRC Lot 53 A 278 : ECA Cable Files

The ECA Acting Administrator (Bissell) to the Embassy in the Philippines

CONFIDENTIAL

WASHINGTON, December 7, 1951—9:19 p. m.

Subject: FY53 Budget Submission

Ecato 1577. 1. For your information: FY53 final submission Budget Bureau totals \$50,129 thousand.

2. Dollar funds by categories as follows: Public Health 6,945; Agriculture 21,085; Transportation, Public Works, etc. 8,988; Handicraft, Manufacturing, etc. 501; Education 2,121; Public Administration 345; Maintenance Essential Supply 10,144.

3. Proposed loan projects discussed Ex-Im Bank officials who indicated general preparedness, without commitment specific projects, extend loans FY 53 aggregating \$25 million or more. Further details separate cable.

4. Copies '53 presentation ¹ being airpouched.

5. Final submission in general is combination first and second priorities proposed by STEM,² with minor modifications occasioned by last-minute cable and telecon exchange views with STEM which were most helpful.

6. Regret deadline did not permit further exchange. However before '53 program is finally firmed up there will be adequate time for further detailed review by you.

BISSELL

¹ Not found in Department of State files.

² Apparently a reference to subparagraphs *a* and *b* of numbered paragraph 5, Toeca 1571, November 21, p. 1586.

Manila Post Files : 430.1 Napalm Bomb : Telegram

The Assistant Chief of Staff for Operations, United States Army (Jenkins) to the Chief of the Joint United States Military Advisory Group in the Philippines (Pierson)

SECRET

WASHINGTON, December [18?], 1951.

DA 90243. Re your message 6667, 15 December 1951.¹ Following is State-Defense agreement² on control of use of Napalm in the Philippines by the AFP: Department of State and Department of Defense agree that any use of Napalm supplied under MDAP should be closely controlled and supervised by the United States. Because of political implications, Napalm supplied under MDAP will be stored under United States control and issued to the AFP only after approval by Chief Jusmag of specific strike and target. In accordance with basic directive to Chief Jusmag Phil, to keep the Ambassador informed of pertinent activities, he will on a continuing basis consult with and keep the Ambassador fully informed concerning the use of Napalm insofar as such use would have political implications or repercussions. Selection of strictly military targets and tactical use of Napalm is a military responsibility.

FY 1951 Program being revised to include 200 Napalm 114 gallon bombs, combat ready, total cost dollars 36,600. Instructions will be forthcoming from AF to requisition from Clark Field stock.³

JENKINS

¹ Not found in Department of State files.

² In a memorandum of December 18, to General Olmsted, Mr. Merchant, now Special Assistant to the Secretary for Mutual Security Affairs, stated: "The Department of State concurs with the instructions proposed in your memorandum of December 13, 1951, 'Use of Napalm by Philippine Armed Forces.'" (796.5-MAP/12-1851) The mentioned document has not been found in Department of State files.

³ In a note of January 3, 1952, to Felino Neri, Philippine Under Secretary of Foreign Affairs, Chargé Harrington in part officially informed the Philippine Government that "a limited number of napalm bombs will be made available to the Armed Forces, Philippines. . . . Details of procurement and use of napalm shall be determined in conferences to be held by the Philippine Secretary of National Defense and the Chief Advisor of JUSMAG." (Manila Post Files : 430.1 Napalm Bomb)

THAILAND

UNITED STATES RELATIONS WITH THAILAND¹

751G.00/1-2551

*Memorandum of Conversation, by the Officer in Charge, Thai,
Malayan and Indochinese Affairs (Landon)*

SECRET

[WASHINGTON,] January 25, 1951.

Subject: Possible American Action if Chinese Communists Attack Indochina.

Participants: H.R.H. Prince Wan Waithayakon, Thai Ambassador
Mr. Dean Rusk, FE²
Mr. Kenneth P. Landon, PSA

In the course of a conversation on another subject the Thai Ambassador pointed out that his government was in entire accord with the United States Government in regard to Communism as evidenced by the presence of Thai troops in Korea, the recognition of the governments of Indochina, and the present act of co-sponsorship of the resolution designating the Chinese Communists as aggressors.³ He went on to say that he had been instructed by his government to ask what United States policy would be if the Chinese Communists should attack northern Indochina, i.e., would the United States give air support or navy support or ground support or simply provide military equipment as at present. Furthermore, if Thailand were attacked would the United States come to their support while they were fighting the enemy or would Thailand have to do as it did in the last war when overrun by the enemy—establish an underground which would cooperate with the United States and work toward their liberation with us. The Ambassador reaffirmed that his government saw eye to eye with the U.S. Government and wanted to know how to lay its own plans in order to meet the potential threat.

I said that it was exceedingly difficult to give a practical reply to a hypothetical question; that the President of the United States⁴ in

¹ For previous documentation, see *Foreign Relations*, 1950, vol. VI, pp. 1529 ff.

² Dean Rusk, Assistant Secretary of State for Far Eastern Affairs.

³ The purpose of the Thai Ambassador's appointment was to deliver a request that the Secretary of State inform the President that the Thai Government deeply appreciated the delivery of arms to the Thai military under the terms of the Military Arms Aid Agreement of October 17, 1950 (792.5-MAP/1-2551). The text of the agreement is printed in Department of State Treaties and Other International Acts Series (TIAS) No. 2434; 3 UST 2675.

⁴ Harry S. Truman.

fact was the only person who could reply to such a question; that if he were requested to make a reply at this time it would become a problem between the Executive and the Legislative branches of government; that it would be a different matter if the President were faced with such a practical problem for immediate action as Commander in Chief; that in regard to Korea we have no intention of giving up the fight and would not act hastily in reaching a decision in regard to withdrawal from Korea; that any attack by the Chinese Communists on Indochina or Thailand would be regarded by the United States as a very serious matter and as part of our world-wide fight against Communism; that in fact Thailand's immediate neighbors such as Burma, India and Malaya, would probably feel equally involved in such an attack by the Chinese Communists and would doubtless be prepared to consider coincident action in such an event; that, however, at this moment the Chinese Communists were apparently limiting themselves to assistance to Ho Chi Minh ⁵ and his forces in the expectation that they might prove to be adequate in driving out the French. I went on to point out that the Chinese had suffered heavy losses in Korea which might have had a sobering effect upon them and that we had no indication of Chinese intentions to extend the present conflict beyond Korea although we were studying every possibility.

At this point I asked the Thai Ambassador whether he and his government had any information on Chinese intentions in Korea as we were considerably puzzled at the current news coming from Korea, it being unclear whether the Chinese were withdrawing beyond the 38th Parallel in preparation for a cease fire order or whether they were regrouping farther north in preparation for another large drive. The Ambassador said he had no information on the subject.

⁵ Ho Chi Minh, President of the Democratic Republic of Viet-Nam.

792.00/2-1351

Memorandum by the Director of the Office of Philippine and Southeast Asian Affairs (Lacy) to the Assistant Secretary of State for Far Eastern Affairs (Rusk)

SECRET

[WASHINGTON,] February 13, 1951.

Subject: Ambassador Stanton's Estimate of Present Situation in Thailand and his Recommendations.

There is attached an excellent despatch drafted by Ambassador Stanton estimating the present situation in Thailand and making specific recommendations for our present and future courses of action.

If you should have the time, all of the despatch is well worth reading.¹ I summarize the high points as follows:

1. There exists among the Chinese, Viet Minh ² and Malay elements within Thailand a well organized aggressive communist group which can and will strike hard when the signal is given.

2. In opposition to the communist threat there are the following factors:

- (a) Thai resistance to foreign domination.
- (b) Thai reverence for King and religion.
- (c) The substantial prosperity of the Thai economy.
- (d) Thai dislike of the Chinese who epitomize the impending threat of communism.
- (e) The firm position of the Thai Government in international affairs against communism.
- (f) An active overt and covert psychological war program being developed by the Thai Government.

3. The most favorable period for the communists is within the next two or three months.

4. The pattern of communist attack will probably include:

(a) Strong guerrilla bands springing into operation in frontier regions in the north, northeast and south.

(b) Intensified communist activities within the country including sabotage, terrorism and propaganda designed to confuse and terrify the Thai people.

(c) An attempted *coup d'état* using Thai political outs.

5. It is improbable that an all-out invasion by Chinese communist troops would be made because (a) the Chinese believe it unnecessary and (b) an open invasion would increase the probability of involvement with the United Nations, as Thailand would certainly appeal to that body.

6. What should the United States do?

(a) It should accelerate and judiciously expand the various aid programs already commenced, particularly (1) the military aid program as this may make all the difference in the Thai will to resist as these arms may be needed at any moment; and (2) the economic aid program should be implemented with the utmost speed as its various projects reach the village level and make a tremendous impression upon the general population in favor of the United States and the United Nations.³ Expansion should especially be made in the medical field in the northeastern provinces which are sensitive politically.

¹ Not printed; the despatch under reference is No. 486 from Bangkok, January 24 (792.00/1-2451).

² Viet Minh, the military forces of the Democratic Republic of Viet-Nam.

³ On September 19, 1950, the United States and Thailand concluded an Economic and Technical Cooperation Agreement. The text of this document is printed in TIAS No. 2170; 1 UST 915.

(b) The specific recommendations made by the Melby-Erskine Mission⁴ for the further equipment of Thai armed forces should be expedited as modified by the Chief of MAAG.

(c) A pool of military materiel for distribution among Southeast Asian nations should be established in the United States for urgent shipment in the light of actual needs.

(d) National armies of Vietnam, Laos and Cambodia should be speedily armed.

(e) Organized guerrilla groups in Vietnam, Laos, Cambodia and South China which are actively fighting communists should also be armed.

⁴ For information, see *Foreign Relations*, 1950, vol. VI, p. 164.

892.2553/3-151

*Memorandum of Conversation, by the Ambassador in Thailand
(Stanton)*

CONFIDENTIAL

BANGKOK, March 1, 1951.

Participants: H. E. Field Marshal P. Pibulsonggram, Prime Minister of Thailand
Edwin F. Stanton

Subject: Petroleum Stocks for Thailand.

During the course of a call on the Prime Minister on February 27, I discussed with him at some length the present problem, on the one hand of insuring adequate flow of petroleum products to Thailand needed for commercial and Government purposes, and at the same time preventing such supplies from falling into the hands of communist agents. I told the Prime Minister thus far no special quota had been imposed on exports of petroleum products to Thailand, and that it was our desire to insure sufficient stocks for all normal needs plus, perhaps, a reserve of three months supply for the Armed Forces, but that the possibility of such stocks falling into the hands of the Communists was a matter of real concern to the United States Government.

I emphasized that we needed full cooperation of the Thai Government and that indeed it was to the Government's own advantage to give us every assistance in this matter, and asked him to instruct the appropriate authorities of the Government to prepare for us a detailed breakdown of requirements of each Ministry and each of the Armed Services for all types of petroleum products for the calendar year. I pointed out that such statistics would enable us much more intelligently to meet the Government's needs. I further told the Prime Minister that in this matter we and the British Embassy were working

very closely with the three oil companies, namely, Standard Vacuum, Shell and Caltex. The Prime Minister asked whether similar statistics for commercial consumption were needed. I said they would be helpful if available, but that I believed the three oil companies had a very good idea of the extent of normal commercial requirements.

With reference to the problem of petroleum products falling into the hands of the Communists, I said to the Prime Minister that, speaking very frankly, the Embassy and the Department of State received frequent reports indicating that agencies of the Thai Government were ordering gasoline and other petroleum products in the name of the Government, either changing the name of the consignee after the shipment left the United States or reselling the shipment to some commercial concern such as the Oriental Corporation, which in turn sold the shipment to the Chinese Communists. The Prime Minister was visibly concerned over my disclosure and promised to have an immediate and thorough investigation made.

EDWIN F. STANTON

611.92/3-1551

The Ambassador in Thailand (Stanton) to the Secretary of State

SECRET

BANGKOK, March 15, 1951.

No. 616

Ref: Department's Secret Instruction No. 35, November 9, 1950.¹

Subject: Comments on Department Policy Statement on Thailand, October 15, 1950 ²

The Embassy refers to the Department's Secret Instruction No. 35, dated November 9, 1950 under cover of which was enclosed a copy of Department of State Policy Statement on Thailand, dated October 15, 1950. The Embassy has studied the enclosed Policy Statement with care and has recently re-examined it in terms of subsequent developments. The Statement has been useful and interesting and the Embassy hopes that the Department will, in the near future bring this statement up to date. Meanwhile, a careful re-examination of the Statement has resulted in several comments which the Embassy desires to make in the hope that they will prove of some constructive use when a new Policy Statement is prepared.

1. The last sentence on Page 1 of the Policy Statement, says that, "Thailand has thus irrevocably severed its ties with the Communist countries and committed itself positively to the cause of the free nations". In the opinion of the Embassy, this statement is more general and more positive than the circumstances warrant. It is the opinion

¹ Not printed.

² *Foreign Relations*, 1950, vol. VI, p. 1529.

of the Embassy that the present Government, controlled by Premier Phibun³ and his clique of military cohorts, is probably so far committed to the "cause of the free nations" that it would be impossible for Phibun and this particular clique to reverse their position. It is highly probable that as long as Phibun's Government continues to make the foreign policy for Thailand, it will stick by the United Nations and the United States. Furthermore, there are signs that popular fear of and distaste for the Chinese Communists are growing and that support for the present foreign policy is growing. Nevertheless, it does not follow from this that Thailand, as a nation, is thus far or irrevocably committed to the "cause of the free nations". There are groups, who under certain circumstances might come to power and who might very well reverse or modify the present foreign policy. As has been pointed out before, although the foreign policy of the Government is receiving increased support, yet at the same time there are significant political factions which are so strongly opposed to the regime on other grounds that they might well accept a new foreign policy if that appeared necessary as a means to regain domestic power. Therefore, while agreeing that as long as the present regime remains in power, the Government will be committed to our cause, the Embassy believes that specific note should be taken of the possibility of a change in Thailand's international posture resulting from the repercussions of a domestic shift in power.

2. Closely connected with this point is the interpretation to be placed on Thailand's recognition of the Associated States of Indochina, and particularly, the Bao Dai regime.⁴ It would be a great mistake to regard this action as a genuine indicator of the feelings of the Thai people, or of even the Thai Government, toward the French-supported states. As has been pointed out on several occasions, the Thai people, including many persons in the Government feel a certain sympathy with the Vietminh, not because of any leanings toward the Communist cause, but because of the belief that whatever his political complexion, Ho Chi-minh is fighting to drive out the French, which the Thai regard as a desirable objective. In fact some Thai are inclined to blame the U.S. for "driving" Ho into the Communist camp. While recently there probably has developed a somewhat better understanding of the real consequences of a Vietminh victory, it would be wrong to think that the Thai have suddenly developed a burning desire to see the liquidation of the Vietminh.

The circumstances surrounding the recognition of Bao Dai are instructive of the real foundation of the present Thai foreign policy. The Department will recall that the Foreign Minister, Phot Sarasin, re-

³ Field Marshal P. Pibulsonggram (Phibun Songkhram).

⁴ Bao Dai, Chief of State of Viet-Nam.

signed in protest over the Premier's personal decision to recognize. The evidence available at the time was that not only was the majority of the thinking populace and the bulk of the press against recognition, but even a majority of middle to high level officials. But the decision was carried in favor of recognition by Phibun's personal insistence. Thus, recognition can hardly be called the policy of the Thai people or nation. It was the decision of Phibun and his clique. To a large extent, the same thing is true of many other major foreign policy decisions of the Thai Government. The basis for this foreign policy is a gamble or calculated risk which Phibun has personally taken upon himself. That gamble is based on the following assumptions by Phibun:

1. That the democratic powers ultimately will win the struggle with the Communist powers.

2. That by committing his Government to the cause of the West, he is actually buying an insurance policy which will guarantee that in the event of aggression the United Nations and the United States will step in—in force—to help defend Thailand against the Communists.

In acting on these calculated risks, Phibun is enough of a gambler (or realist) to understand that it is futile to try to temper the anticipated Communist reaction by "going slow" or trying to pursue an overt policy of restraint while covertly working against the Communists. Whatever his other faults may be, Phibun probably has realized that this is an "all-or-nothing" international conflict and he probably realizes that the Communists regard a "neutral" as as much of an enemy as an outright opponent. Therefore, Phibun has probably decided that having made his choice, the only sensible thing to do is to put everything behind it. If he loses he will be no worse off than if he tried to play the part of neutrality, and if he wins he will be all the more endeared to the hearts of the victors, i.e. the West. Furthermore, if he wins, his internal political position will be well-nigh impregnable. Furthermore, if he is temporarily driven out of Thailand by the Communists, he probably believes he can obtain sanctuary in the United States and return as the victor when Communism is defeated finally.

With this kind of a viewpoint in mind, such things as non-recognition of Communist China, recognition of Bao Dai, sending troops to fight Communist aggression in Korea, and voting to condemn Communist China an aggressor, fall into some kind of understandable pattern. They are the bets of Phibun, who in his position as official spokesman for Thailand, successively adds chips to a stack which he has placed on the United States. But, as stated before, in fact Phibun does not always express the will of the whole Thai people. Furthermore, sometimes he leads from weakness (e.g. recognition of Bao Dai) in the hope and expectation that his partner (United States) will pick up and cover his lead (by ensuring the defeat of the Vietminh). This,

in the Embassy's opinion is a very important factor behind Thai recognition of Bao Dai. The important element in such a foreign policy is that it is largely a personal policy. As long as the person (or clique) sponsoring this policy remains in power and as long as he is convinced that the policy will pay off in the end, then the United States can probably be assured of continued support. But in such a situation it is always possible that any one of various rival cliques will achieve power in which case the foreign policy might be seriously jeopardized. Finally, if the Premier ever became convinced that this policy had failed he could hardly be blamed if he ceased to cooperate with the United States. This fact is of great importance for the United States since there appears to be an hiatus between the American and Thai Government views at one point.

It was stated above that one of the two assumptions on which Phibun has based his present foreign policy is that by committing his Government to the cause of the West, he is ensuring that in the event of aggression against Thailand, the United Nations and the United States will put forces in the field to defend Thailand's independence. As far as the Embassy is aware, no such decision has been taken by the United States and there is no assurance that the United Nations could be prevailed upon as they were in the case of Korea. Consequently, open aggression against Thailand, unopposed by UN and US forces, would produce a situation which, from Phibun's point of view would constitute a failure of his foreign policy. While, in such a case, Phibun still probably would not be able to go over to the other side, yet he would probably be so disappointed and disgusted that, feeling deserted and abandoned, he might also abandon the cause and flee, leaving the field to whatsoever group of opportunists or fellow-travellers might be able to seize control. Thus, while it is true that as long as no outright aggression occurs, the Phibun regime will continue to support the United Nations and cooperate with the United States, yet in the last analysis, when the chips are down, we find that Phibun's foreign policy is predicated on the assumption that he will get certain support which neither the United Nations nor the United States is committed to give. From this point of view, there would seem to be serious flaws in an unqualified and easy assumption that, "Thailand has thus irrevocably severed its ties with Communist countries and committed itself positively to the cause of the free nations".

3. The last sentence of the Policy Statement provides a clue to a further point the Embassy desires to make. There it is stated that, "A continuation of present US policies toward Thailand should help it remain free of Communist domination. . . ." This is no doubt true but the statement as it stands leaves many problems dangling in mid-air because no specific effort has been made in the Policy Statement

to weigh these policies in terms of the specific threats that confront Thailand. Some of the policies mentioned in the Statement are:

1. Promotion of Thai prosperity
2. \$10,000,000 of military aid
3. Drawing Thailand into various UN activities
4. USIS and cultural exchange projects
5. Encouragement of Thai participation in GATT.
6. Development of agricultural production, port facilities, etc.
7. Economic aid
8. Protection of US petroleum company interests in Thailand
9. 1947 Bilateral Air Transport Agreement ⁵
10. Encouragement of normal trade relations with Japan

The Embassy does not question any of these policies and the Embassy agrees that over the long run (granted that we are permitted to think of the long run) such policies will strengthen Thailand and will strengthen the bonds of friendship with the United States. However, most of this program is based on the assumption that Thai independence and peace will continue for a number of years. Hence to consider this program in terms of maintaining Thai peace and independence in the immediate future, the face of very specific threats, comes perilously close to begging the question.

On many occasions the Embassy has reported to the Department on the following possible, specific and fairly immediate threats to Thai independence:

1. The possibility of a Vietminh conquest of Indochina and consequent reaction in Thailand.
2. The possibility of a "peaceful" takeover of Laos by Vietminh and Chinese Communists through the method of infiltration, subsequently threatening Thailand through its north and northeast provinces.
3. The possibility of Communist victories in Burma and/or Indochina, followed by sudden diplomatic and political pressure forcing a reversal of Thai policies.
4. The possibility of Communist capture of certain dissident political groups and their use in an effort to topple the regime by *coup d'état*.
5. The possibility of direct Chinese Communist invasion in force.
6. The possibility of a Communist-organized series of sabotage and guerrilla movements supported by the Communist-controlled Chinese minority.

The Embassy cannot of course predict which, if any of these steps will be adopted by the Communists. But there is no evidence in the Policy Statement to show that U.S. policies toward Thailand have been weighed in terms of such threats in an effort to determine to

⁵ On February 26, 1947, the United States and Thailand concluded an Air Services Agreement. The text of this document is printed in TIAS No. 1607 and also in 61 Stat. (pt. 3) 2789.

what extent these policies are likely to meet these threats. It may be that the United States is unable to adopt policies to meet such threats. It may be that it is assumed that our policies will not necessarily meet the threat that exists. It may be that because Thailand is in a relatively low priority area it is impossible for the United States to go any further. It may be that we must reconcile ourselves to the ultimate writing off of Thailand. It may be that in view of our commitments elsewhere it has been determined in Washington that it is best for us to do so. But in any case, it is the Embassy's opinion that a Policy Statement on Thailand should include some analysis of our policy in terms of the situations and threats which it has to meet and should come to some conclusion as to the degree to which our policy meets these threats. It should also contain some consideration of the consequences to our policy of the various possible or foreseeable events or developments. Specifically a Policy Statement on Thailand might well include some statement to the effect that in the event of open aggression against Thailand, or indirect aggression through guerrillas, the United States would support in the United Nations any appeal from Thailand requesting United Nations assistance in defending its independence.

EDWIN F. STANTON

S92.00-TA/3-1751 : Telegram

The Secretary of State to the Embassy in Thailand

SECRET

WASHINGTON, March 17, 1951—3 p. m.

1300. Dept after consideration FY52 Thai program prepared by ECA for submission Budget Bureau, totalling approx \$12 million, has reached conclusion that only approx half program constituting stepped up technical assistance shld be grant aid and that other projects, particularly generators and irrigation for northeast, highway construction, and mining equip shld be subject of loan assistance. Contemplated that loans wld be handled by IBRD or Eximbank, but this is of course, no guarantee affirmative bank action.

Depts conclusion is not based on special Thai or SEA factors, but on position applicable to all countries that grant commodity aid shld not be extended to bankable projects when country is and likely to continue in sufficiently strong external economic position to warrant loans. Exceptions cld of course be made for compelling non-economic considerations, and particularly where these considerations most likely be sympathetically understood by appropriations authorities.

In Thai case we have concluded that necessities military and strategic problems warrant offer aid for projects such as those named, but

not as gift. Conclude also that although obviously loans less attractive to Thais than grants, they can be made understand their sound economic position both does not warrant gifts and does warrant loans, and that they will in general although not necessarily to last particular undertake borrow and carry out important projects this type without significant hurt our political relations and particularly without real ground to feel they have been let down or we are withdrawing our support.

Your comments are, however, urgently required by Dept, particularly if you find on other or stronger evidence than considered in Wash that position shld be reconsidered. You may if necessary consult with STEM, but not with Thai Govt.

ACHESON

892.10/3-2351 : Telegram

The Ambassador in Thailand (Stanton) to the Secretary of State

SECRET NIACT

BANGKOK, March 23, 1951—5 p. m.

1474. Deptel 1300 March 17.

1. ECA/W originally recommended 1952 program on grant bases of 12½ million for forward planning. This view taken as basic cooperative program planning with Thai, now constitutes their expectation aid. Thai Govt has to considerable degree staked its future on US cooperation, its present stability derives in no small part from its success in obtaining US mil/econ aid. Any sharp reversal US commitments of Thai expectations aid built on US statements wld be major political blow to most stable pro-US Govt in SEA. We feel this is a political concept of the utmost importance and one which has heretofore governed our policies and political relations with Thailand. We, therefore, strongly advise against any departure from this concept at a time when the overall political situation in SEA continues to deteriorate and Thailand's position as an independent nation is rendered increasingly precarious. Thus while economic factors may justify use loans, Emb believes primary political purpose ECA program must be kept strongly in mind. In this connection last year has seen so many sharp changes in US policy re Thai program as to have made sound planning most difficult and to have raised serious questions Thai Govt leaders whether US knows what it wants in aid program. Present 1952 program is a cooperatively planned project, in part including projects originally planned 1951 but postponed due slow start ECA, late delivery materials. Emb most strongly urges 1952 programs be permitted to go forward without further disruptive changes in quantity or policy.

2. Nevertheless Emb has studied problem with great care and agrees with view reftel that sound economic approach to Thai 1952 ECA program as set forth Ecato 17 Jan 9¹ would indicate shift of some projects to loan basis may be feasible. As Emb has indicated in previous communications, Thai do not suffer from overall shortage foreign exchange; slow economic development results primarily from basic lack sufficient domestic capital. Some projects included in ECA 1952 program can be expected to earn substantial income and, with favorable foreign exchange position, repayment of foreign currency loan of moderate size is feasible despite recently completed World Bank loan. However, further careful analysis of Thai foreign exchange requirements resulting from MAAG, ECA and other programs is necessary before final judgment of adequacy. In view of Emb some individual projects in fol categories ECA 1952 program may be considered for transfer to loan basis, if further detailed analysis supports initial conclusion as to earning capacity: Telephone and telegraph; mining; industry and commerce. Total loans involved amount to far less than 50 percent 1952 program stated reftel. Further, Emb believes loan fund available to start sound private projects would be real stimulus immed economic development.

3. Emb does not agree highway program 1952 falls clearly within loan category. While long-term economic value highway program unquestioned, contemplated construction will not bring quick direct income to govt in banner projects listed foregoing para. Economic return new roads' spreads gradually among many elements population and affects only indirectly and later revenues of expending govt. Further highway program 1952 in considerable part justified as to timing by mil strategic factors and by deep concern Pri Min. Emb, therefore, does not believe highways shld be transferred loan basis. Similar reasoning applies Thai requirements irrig, electric power under 1952 program in which projects meet basic national requirement, and will result in favorable impact on Thai people.

4. Any case, believe any shift to loan aid is not desirable if it involves sizable cut aid program, long delay or uncertainty in projects, which whatever bankable nature are urgently needed by Thai to raise production, living standards. If as indicated reftel, shift to loan basis means transfer such projects to tentative, uncertain and delaying procedures Export-Import Bank, Emb wld oppose for overriding political reasons. If, however, shift cld be accomplished within present program without delay planning, receipt goods, Emb believes idea sound as applied para 2. Without detailed knowledge US loan proce-

¹ Not printed.

dures, Emb nevertheless believes cannot be effectively applied before 1953 program and shld certainly not be contemplated in magnitude indicated in reftel for 1952. Advisable under 1952 program to give ECA flexible loan authority to be applied specific categories mentioned para 2 as they develop within total 12 million program.

STANTON

892.00-R/4-1051

*Memorandum for the Files by Mr. William O. Anderson, Office of
Philippine and Southeast Asian Affairs*

CONFIDENTIAL

[WASHINGTON,] April 10, 1951.

Subject: Consultation in Department on Thai-ECA Program

Soon after reporting to Mr. Landon and Mr. Shohan,¹ I was informed that both State and ECA had faced considerable criticism in the office of the Bureau of the Budget in presenting justifications for the Thai-ECA program. It was explained to me that a representative of the office of the White House had laid down executive policy, in which the Treasury Department concurred, that grant aid for fiscal 1951 and 1952 for Thailand should be cut below the amounts previously considered and the difference should be made up in interest-bearing loans. There was also expressed considerable concern that the whole southeast Asian economic aid program might suffer in Congress if weak spots in the justifications (Thailand grant aid was considered the leading weak spot) were not eliminated. In talks with various Departmental officials I was frequently asked for details of the U.S.-Thai economic aid negotiations with a view to clarifying to what extent the prestige of the U.S. Government is now at stake as a result of moral, economic or political commitments.

In tracing the chronology of aid program developments, I emphasized the concern of the Embassy and Ambassador Stanton that action had begun too slowly and that Thai negotiations with both the Embassy and the STEM Mission were frequently confused by what appeared to be a lack of coordination among agencies in Washington. I emphasized that negotiations were first begun (shortly before the arrival of the Griffin Mission in April 1950)² on a basis of undertaking an economic program on what appeared to be a gamble to obtain a political objective of strengthening Thailand against the inroads of

¹ Charles J. Shohan, Officer in Charge, Economic Affairs, Office of Philippine and Southeast Asian Affairs.

² Mr. R. Allen Griffin, Director of the Far East Program Division, Economic Cooperation Administration. Mr. Griffin had headed a survey team which visited Southeast Asia in March and April 1950, to develop recommendations regarding initial economic and technical aid to the area. For documentation on the Griffin Mission and related activities, see *Foreign Relations*, 1950, vol. VI, pp. 1 ff.

Communism. Under the circumstances then existing, both the Embassy and the Thai negotiators agreed upon the necessity for acting quickly. From the standpoint of the Embassy, the commitment of funds and expert personnel was justified primarily by the need for immediate action.

I was asked by Mr. Landon and Mr. Shohan to present a chronology to the office of the Assistant Secretary of FE on April 5, 1951.

April 9, 1951. Mr. Landon showed me a joint Embassy-ECA telegram setting forth in strong terms the concern of those agencies that the U.S. risks considerable loss of political prestige as a result of a Washington decision to reduce grant funds for Thailand for fiscal 1951 to \$7,000,000 and to direct the Embassy and STEM to encourage the Thai to seek an additional approximate \$5,000,000 through loans.³ Mr. Landon asked that I give my frank opinion as regards the impact on Thailand of the Washington decision referred to above. I informed Landon that the insistence upon financing a major portion of the 1951 program from loan funds, when added to the discouragingly slow development of an action program in Thailand, undoubtedly will react strongly to the discredit of the U.S. Government. I expressed an opinion that the Thai, who are in a vulnerable geographic position, would interpret the U.S. move as a unilateral one and one having the effect of penalizing the only country in southeast Asia which has cooperated with the U.S. in many political decisions, including the sending of Thai troops for combat in Korea. I proposed that the U.S. provide grant funds for the entire fiscal 1951 program, but could insist upon loan financing for most, if not all, of the fiscal 1952 program. I then volunteered to discuss the Bangkok telegram on a frank basis with Mr. Griffin of ECA. After some consultation it was decided that Departmental policy was not to take the initiative in approaching Griffin at this time but rather to wait for ECA to take the initiative.

The matter was discussed at length with Mr. Shohan, who explained to me the belief of Mr. Lacy, Mr. Merchant⁴ and himself that, mechanically, little can be done to attempt to increase grant funds at this time because of the adamant position taken by the Bureau of the Budget, the Treasury Department and the White House. On behalf of Ambassador Stanton I asked that consideration be given to the necessity for supporting a capable career Ambassador and his mission in a sensitive country in a critical time.

³ Not printed ; the telegram under reference is No. 1556, from Bangkok, April 6 (892.00-R/4-651).

⁴ Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs.

112/4-1751

*The Under Secretary of State (Webb) to the Director of the Bureau
of the Budget (Lawton)*

SECRET

WASHINGTON, April 17, 1951.

DEAR MR. LAWTON: The Economic Cooperation Administration and the Department of State in letters dated March 16, 1951, asked the Bureau to reconsider the proposed recommendation to the President that the amount requested under the authority of Public Law 911 for use during fiscal year 1951 in the general area of China be reduced.¹ The President has now authorized \$30,800,000 of the \$38,146,741 requested. This reduction, which it is understood is in accord with the recommendation of the Bureau, affects Burma, Formosa and Thailand, but this letter is concerned only with Thailand.

Nine million four hundred thousand dollars would be required to complete the proposed program in Thailand, of which \$7,550,000 is now authorized. The Embassy and STEM, in a joint cable dated April 6, 1951 (Tab A), insist that no cut be made in the proposed program because of the anticipated serious damage to the United States effort in Thailand.² The Department is in complete accord with the Embassy and STEM and urges that the Bureau now recommend to the President authorization of the additional funds required to complete the proposed program. The Economic Cooperation Administration strongly supports this request.

The primary objective of the economic program in Thailand, which is a keystone to the security of Southeast Asia, is political, rather than economic. The proposed program is designed to reinforce the alignment of the Government with the West by giving the Government confidence in the firm support of the United States, present immediate benefits to the rural areas that will reinforce the peoples' confidence in their government, and place the United States in a position to influence the Government in adoption of reforms and utilization of its own resources for developments required for internal strength. This proposed program was developed in close collaboration by the Thailand Government and STEM in cooperation with the Embassy.

¹ Neither printed.

² Tab A is not here printed; this enclosure is a paraphrased version of telegram 1556 from Bangkok, April 6, in which Ambassador Stanton argued that the proposed reductions in ECA funds for Thailand would seriously undermine Thai confidence in the United States and could cause the Thai to consider changing the basic orientation of their foreign policy away from close collaboration with the United States (892.00-R/4-651). A week later, on April 13, in telegram 1607, Ambassador Stanton advanced the additional warning that if the original ECA funds were not forthcoming, Prime Minister Pibulsonggram might fall from power and be replaced by men who would repudiate the Prime Minister's policy of close cooperation with the United States (892.00-FA/4-1351).

Last March, the Secretary of State, after consultation with the President, despatched to Southeast Asia a mission headed by Mr. R. Allen Griffin.³ The Mission recommended a program for Thailand requiring approximately \$11,000,000. No commitment was made but it was necessary later to indicate to the Government the general magnitude of possible aid as well as specific lines the aid would take in order to give the Government confidence in support of the United States and to enable the Government to make proper arrangements for reception of an economic mission and to develop a suitable program for consideration of that mission. When the amount of funds available from the China aid program was determined, however, only \$7,555,000 could be allocated. The Mission, then, together with the Embassy, in working with the Thai Government, made every effort to restrict the program to the basic minimum required to achieve our objective. The program that resulted is the one presently proposed for which a total of \$9,400,000 is required. On the basis of the earlier information given to them and the close collaboration with STEM and the Embassy in developing this program, the Thai Government considered that there was a sufficiently firm undertaking to complete the proposed program to warrant making firm plans in each of its relevant ministries to accommodate the program.

Unless additional funds are made available, however, it will be necessary to reduce village-level projects in agriculture and public health, and to eliminate the proposed road building project unless agricultural and public health projects were to be drastically cut. Elimination of the road building project would be particularly unwise. This project has been worked out in detail with the Government. The Prime Minister and the Government consider the project to be of first priority because of the economic and military aspects, and the MAAG concurs in the military importance of the project. Elimination or reduction of the public health and agriculture projects would substantially weaken the basic village-level concept of the program.

If the program is thus reduced the effect will be to undermine the Thais' confidence in the determination and ability of the United States to conduct and administer programs to assist Thailand. Such reductions would raise doubts as to the advisability of maintaining the present strong alignment with the West, particularly in view of the risks that the Government considers are involved in such alignment, and greatly reduce the ability of the United States to influence the Government. In the joint Embassy-STEM cable referred to above, it is stated: "At the present time, such reductions in quantity and elimination of major categories, evidencing the instability of United

³ For a short description of the Griffin mission, see footnote 2, p. 1606.

States policy, will be a major blow to Thailand and result in such loss of faith as to jeopardize underlying political objectives U.S. policy."

In considering this request, it should be kept in mind that Thailand is the only country wholly on the mainland of Asia that is consistently supporting the foreign policies of the United States in the UN and elsewhere. It is the only country so situated that, for example, has sent troops to Korea and has recognized Vietnam.

Sincerely yours,

JAMES E. WEBB

892.00-R/5-1951

*Memorandum by Messrs. Leonard S. Tyson and Robert A. Burman,
Office of Philippine and Southeast Asian Affairs*¹

CONFIDENTIAL

[WASHINGTON,] May 22, 1951.

Subject: ECA 1951 Program for Thailand: Ambassador Stanton's telegram to the Secretary

1. Ambassador Stanton in a telegram to the Secretary (Colombo's 558 of May 19),² has presented a strong case, on political, psychological and military grounds, for the restoration of the "Highway Project" in the 1951 ECA program for Thailand. He urges that no cut be made below the original \$9.2 million program which has been "worked out" with the Thai Government. The Ambassador feels that since an important basic principle is involved, that the Secretary might be willing, if necessary, to discuss this problem with the President.

2. Mr. Landon and Mr. Tyson transmitted a copy of the Ambassador's telegram to Mr. Griffin of ECA. According to Mr. Lane³ (the ECA Thai desk officer), the ECA and the Department agreed on last Saturday⁴ to appeal to the President the cuts made by the Bureau of the Budget in the ECA 1951 programs. Accordingly, Mr. Griffin had prepared a letter from Mr. Foster⁵ to the President requesting the restoration of the funds. Upon receipt of Mr. Stanton's telegram, however, Mr. Griffin, reportedly, revised the letter to include some of the Ambassador's arguments.

3. The Budget Bureau markings have reduced the 1951 program for Thailand from around \$9.2 million to \$7.55 million. The amount of the cut is approximately the full amount of the "Highway Project", to which the Ambassador refers. Presumably, ECA would still be able to finance the Highway Project even with the lesser amount of

¹ Addressed to the Director of the Office of Philippine and Southeast Asian Affairs (Lacy) and to Mr. William M. Gibson, Office of Philippine and Southeast Asian Affairs.

² Not printed.

³ Clayton Lane, Acting Chief, Thailand Branch, Economic Cooperation Administration.

⁴ May 19.

⁵ William C. Foster, Administrator, Economic Cooperation Administration.

funds but this would require the deletion of other programs which, presumably, have also been agreed to with the Thai Government.

Action Requested:

1. Is the foregoing account of the present status of the ECA 1951 Thai program in accordance with your understanding?

2. Pursuant to the ECA/Department meeting of last Saturday, and in the light of the Ambassador's telegram, is any further action called for by the Department?

3. Subject to your modifications of the foregoing, a telegram will be prepared setting forth the present status of the Thai program to be sent to both Embassy Bangkok and to the post which is next on Mr. Stanton's itinerary.⁶

⁶ Not printed; the cable under reference was telegram 1850 to Bangkok, May 29. The Embassy was informed that the Department and the Economic Cooperation Administration were making another appeal to the Bureau of the Budget to restore the cuts made in ECA's programs. (892.00-R/5-1951)

792.5 MAP/5-2351: Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

PRIORITY

BANGKOK, May 23, 1951—4 p. m.

1894. Re Depcirtel 71 May 18.¹ Highlights MDAP for Thai since signing agreement Oct 17 were:

(1) Official ceremony marking turnover arms Phra Mane grounds Jan 24 impressed large gathering which heard forceful addresses by Amb and PriMin. Interesting note this ceremony coincided with PriMin's initial anti-Commie defense meeting for provincial governors and Amphur (district) officers throughout Kingdom. Fact these officials returned duly impressed and spread word was beneficial to provinces hitherto completely unaware US military assistance. Mass training flight (26 AT-6s) to north and northeast which followed above ceremony in early Feb created awakening effect there.

(2) Arrival 30 AT-6 aircraft and 6 SB2C planes mid-Apr marked inauguration intensive training Royal Air Force and Naval Air Force, both of which reorganized under MAAG supervision. One Royal Air Force squadron activated Jan 1, another Mar 1, with third due June 1. First ready for combat in Spitfires end of 1951. Wish emphasize these squadrons will be satisfactory according US standards. 15 Air Force officers already sent US for training in maintenance, tech fields to provide Air Force with adequate instructions after termination MAAG operation.

(3) Training and equipping 9 infantry battalions along with complete overhaul basic army training system moving ahead rapidly with

¹ In circular telegram 71, May 18, the Department asked the Embassy for a statement to be included in the Third Semi-annual Report on MDAP to Congress. The Embassy was instructed to cover the period from October 7, 1950, to March 31, 1951. (740.5 MAP/5-1851)

full cooperation Thai. Imperative bear in mind that immed turnover US equipment to poorly trained units impossible. MAAG successfully completed ordnance school for 100 men from above battalions in MAAG with result Thai now in position receive, maintain equipment already arrived. Extensive infantry training under MAAG supervision in final planning stage will ensure efficient end use equipment, and prepare each battalion for combat 8 months after beginning training.

(4) Top Army, Navy, Air Force, police and Defense Ministry officers will attend MAAG-operated strategic intelligence school beginning June 4 which shld result in badly needed coordinated intelligence system.

As Thai forces existed mostly on paper and incapable conducting warfare by western standards, can be said military capabilities definitely increased even though MAAG in early stages of operation. Full cooperation and eagerness to learn by all services evidence high morale among troops.

MAAG presence has given present govt stability internally and made possible its full commitment to UN. Of opinion Commie elements in Thai wld have made considerable progress but for advent MAAG which has caused number of traditional fence-sitters either join non-Commie camp or at least prevent them running over to Commies. Obvious Commie concern over MAAG increasing in local Chi press, Peking broadcasts, Viet Minh broadcasts, and even Soviet press. Except for pro-Commie elements and fellow travelers, who emphasize such themes as US building up Thai as base for Indochina aggression, reaction to MAAG program definitely favorable.

Altho above longer than instructed, Emb finds briefer summation MAAG program wld tend lose desired effect.

TURNER

892.00-R/6-2751

*Memorandum of Conversation, by the Ambassador in Thailand
(Stanton)*

CONFIDENTIAL

[WASHINGTON,] June 27, 1951.

Subject: ECA Program in Thailand

Participants: Mr. William C. Foster, ECA Administrator
Mr. Griffin, Director, Far Eastern Division, ECA
Mr. Edwin F. Stanton, American Ambassador to
Thailand

I called on Mr. Foster and Mr. Griffin this morning and discussed with them the 1951 and 1952 programs for Thailand. With respect to the 1951 program, Mr. Griffin informed me that as a result of the combined efforts of ECA and the Department of State it would be

possible to restore a substantial portion of the cuts made in the 1951 program. More specifically he stated that \$700,000 had been restored for the Highway Program and that he had instructed Mr. Berrigan to return to Washington from Bangkok in order to expedite procurement of the more essential equipment needed for the commencement of the Highway Program. Mr. Griffin also informed me that he had been able to divert several hundred thousand dollars to the program for Thailand from unexpended funds. He said he thought the grant total of funds which would now be available for Thailand for 1951 would be in the vicinity of \$9,000,000. I expressed my appreciation of his efforts and said that the restoration of these cuts, which would make possible implementation of virtually the entire 1951 program, would be most heartening to the Thai Government and was bound to have a most favorable political and psychological reaction.

In discussing the 1952 program with Mr. Foster, he said that ECA had made every possible effort to obtain agreement for the inclusion in the 1952 budget of the \$12,000,000 program which had tentatively been worked out by the STEM and the Thai Government. He said unfortunately these efforts had proved unavailing because of the adamant position taken by Treasury and the Bureau of Budget in view of the country's favorable balance of trade. I inquired what tentative figures had been agreed upon for 1952. He replied that it had not been possible to persuade Treasury to agree to more than \$7,000,000 in grants. He added, however, that the Export-Import Bank was agreeable to extending loans to Thailand up to approximately \$5,000,000 for approved projects. Mr. Foster emphasized that these figures were tentative as was the entire economic aid program for 1952 and that everything depended on the Congress. He added that depending on the legislation finally passed by the Congress, it might be possible to make some adjustment in the program for Thailand. I said this news was disappointing, although I fully understood the difficulties involved. I said it was incomprehensible to me why the political reasons for giving maximum economic aid to Thailand were not given greater weight by the Treasury and the Bureau of Budget.

I then asked Mr. Foster, with respect to the 1952 program for Thailand whether it would not be possible, after the 1952 American Aid Bill had been passed by Congress, to include in the announcement regarding Thailand some statement indicating that an Export-Import Bank loan of approximately \$5,000,000 would be given favorable consideration by the Bank upon application by the Thai Government. I said this question had been raised by our Embassy at Bangkok in a recent telegram which pointed out the unfavorable reaction which might be anticipated on the part of the Thai Government to the publication of figures covering the 1952 aid program showing that Thailand

received less than any of the other countries of Southeast Asia.¹ Mr. Foster replied that he saw no reason why information of the willingness of the Export-Import Bank to consider loan requests from the Thai Government should not be included in any announcement regarding the 1952 economic aid program for Thailand. He said that a statement along these lines had been issued in connection with the aid program for the Philippines.

The other matter I raised with Mr. Foster was the question of the heavy expense to the Thai Government of the administration of STEM. I said in a recent letter I had received from the Embassy at Bangkok they had informed me that almost 5 million baht had already been spent from Counterpart to meet administrative and operating expenses of STEM. Mr. Foster stated he realized how very important it was, particularly in countries like Thailand where ECA programs did not involve the sale of sizeable quantities of consumers goods, to keep the administrative and operative expenses at a minimum. He said, as did Mr. Griffin, that fresh instructions would be sent to STEM in Bangkok on this subject.

¹ Not printed; the telegram under reference is No. 2050 from Bangkok, June 9, (892.00-FA/6-951).

792.00/6-2851

*Memorandum of Conversation, by the Ambassador in Thailand
(Stanton)*

CONFIDENTIAL

[WASHINGTON,] June 28, 1951.

Subject: Report to the President on Conditions in Thailand

Participants: President Truman

Mr. Edwin F. Stanton—American Ambassador to
Thailand

I had the opportunity this morning of reporting to the President on conditions in Thailand.

I recalled that the Thai people have the very friendliest feelings toward the Government and people of the United States and that these friendly sentiments were given concrete expression at the time of the outbreak of hostilities in Korea. The President said he recalled clearly that the Thai Government was the first Asian government to respond to the appeal made by the UN for troops and other support.¹ I said that I felt our postwar policy toward Thailand had further strengthened relations between the two countries and that today the Thai people were perhaps our best friends in Asia.

¹ For previous documentation, see *Foreign Relations*, 1950, vol. VII, pp. 125 ff.

I referred to Communist activities and the trouble they are creating in neighboring countries in Indochina, Burma and Malaya, and said that coupled with these external pressures, there existed a large potential fifth column inside Thailand because of the presence of some three million Chinese in the country. The Chinese Communists were seeking, with considerable success, to organize certain Chinese elements which could be used for subversive activities and which no doubt would be used in connection with the application of external pressure.

In view of the uncertainties and dangers facing our friends the Thai people, they looked particularly to the United States for help. Ever present in their minds was the hope that the United States would come to the country's assistance if attacked by the Communists. I said I personally felt in view of the friendship of the Thai people toward us, the help they have extended to us in Korea, and the political and economic importance of Thailand in South East Asia, that there was good reason why we should go to their assistance if the Communists should attack and it were at all possible for us to do so.

The President replied that he had always been much interested in Thailand and realized its political and economic importance in South East Asia. He said he was aware of the part being played by Thailand in furnishing rice to food deficit areas and said he understood that Thailand was now the largest exporter of rice in South East Asia. I said this was the case and that Malaya and Japan were very dependent upon exports of rice from Siam. The President added he hoped a crisis would not arise in Thailand and said that perhaps the enormous casualties suffered by the Chinese in Korea would deter them from embarking on any other aggressive adventures. I said I hoped so, but there was the possibility nonetheless that the Chinese might stir up trouble in South East Asia. The President said he hoped the situation would improve in Indochina, Burma, and Indonesia and that we must do what we can to help all countries in that area.²

² That afternoon, Ambassador Stanton outlined conditions in Thailand for Secretary of State Acheson and urged that Thailand not be forgotten in U.S. strategic and other planning for Southeast Asia. Mr. Acheson assured Mr. Stanton "that our Thai friends would not be forgotten." (792.00/6-2951)

792.00/6-3051 : Telegram

The Secretary of State to the Embassy in Thailand

RESTRICTED

WASHINGTON, June 30, 1951—9 p. m.

2156. Dept desires you call upon Prime Minister Phibun earliest possible if he again in control government according Sheldon's¹ un-

¹ Col. Charles A. Sheldon, U.S.A., Military Attaché, U.S. Embassy, Bangkok.

numbered telegram June 30² and fully discuss recent developments ascertaining if possible any cabinet changes and particularly whether any changes in foreign policy.

You may then in your discretion convey substance following to him orally:

Dept is happy learn that you are safe and that you have been able to resume charge of government. Dept also glad to learn that you are seeking to stop fighting among armed forces and to restore peace and tranquility and requests you do everything possible protect American lives and property. Dept. keeping Lady Phibun³ and Thai Embassy fully informed. Ambassador Stanton sends you his personal greetings and is much relieved you are safe.⁴

ACHESON

² Not printed.

³ Wife of Prime Minister Pibulsonggram.

⁴ On June 29, a small group of naval officers kidnapped the Prime Minister at a ceremony for turning over the ECA dredge *Manhattan* to the Thai Government. The Prime Minister was held for thirty-one hours and finally released after a twenty-four hour battle culminating in the defeat of the small rebel group and in the sinking of the Thai flagship from which the Prime Minister made a dramatic escape while the ship burned.

792.00/7-251 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL NIACT

BANGKOK, July 2, 1951—5 p. m.

17. I called on PriMin this p. m. and delivered messages from Dept and Ambassador Stanton in accordance Deptel 2156, June 30. PriMin expressed appreciation and requested his thanks be conveyed.

PriMin informed me as fol in response to my inquiries: There will be no change of Cabinet. During his detention Navy insurgents attempted to persuade him to change Cabinet and, when he refused, to reorganize Cabinet, to which he did not agree. There will be no change of policy by the govt especially with respect to foreign policy. The revolt is now completely quelled and all parts of the country including Sattaheep and the lower peninsula (which specifically inquired about) are quiet. The surrender of Sattaheep has been arranged and will be accepted shortly. (*Note:* On my return from PriMin's offices I found soldiers erecting new machine gun emplacements on corner of road towards Paknam and there are now rumors of trouble from the direction of Paknam and Sattaheep. These may simply be preparations to take surrender of Naval forces.)

I informed PriMin that we were much concerned about public reports that MAAG equipment had played part in revolt, and that we had prepared press release to be issued by Gen Cole¹ re this matter.

¹ Brig. Gen. John T. Cole, U.S.A., Chief, Military Assistance Advisory Group to Thailand.

(Text will be transmitted separately). PriMin expressed hearty approval and stated that Publicity Dept wld issue similar statement which govt wld prepare. PriMin said that reorganization of the Navy command was under way and that Admiral Pholasin Thawanat, now Deputy Chief of Joint Staff, Defense Dept, wld be appointed CINC Navy. PriMin declared that Admiral Sindhu former CINC Navy, had foreknowledge of plot and had alerted all Navy vessels in river.

Rptd info Saigon 3.

TURNER

792.00/7-351 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, July 3, 1951—10 a. m.

21. Fol is elaboration Embtel 2, July 1 to Dept.¹ Dept will realize that accurate evaluation this complicated situation extremely difficult and our conclusions must in some respects be tentative.

Considerable evidence that at least since April plot of sizable proportions gestating but not at stage of final agreement. Wld have included many elements as fleet, marines, certain army, police, air force elements, plus tactic support Democrats.² If above true then one element of this plot, a small group officers in fleet at Thonburi apparently became impatient, where tempted by opportunity offered by presence Phibun, Royal Landing June 29 in navy territory. They seized opportunity believing other factions involved original but uncompleted plotting wld join. Apparently hoped possession of Phibun wld prevent police, army counteraction until other forces joined rebels. Bnt almost no others joined due condition lack coordination, fear, doubts of success. Fleet units left on limb and govt with police, air force, army proceeded take strong suppressive measures despite danger to Phibun. Thus coup actually attempted only by fleet elements and two battalions marines based Thonburi.

Marine commanders other naval installations did not participate (CAS). Naval signal station at opposite end town entered fight only later when govt forces moved on station. Believe no reinforcements from Sattaheep naval base.

Because of (1) Nonparticipation by important navy-marine elements; (2) Absence of army-police split; (3) Vigorous counter-

¹ In telegram 2 from Bangkok, July 1, the Embassy characterized the revolt of June 29 as an effort by a small faction of naval officers to seize power for themselves at the expense of the army and police officials who had controlled Thailand since November 1947 (792.00/7-151).

² The Democrats were civilians who, as royalist-conservatives, had supported the army and police officers in their successful seizure of power in the autumn of 1947 to terminate Thailand's democratic government and replace it with an authoritarian regime under the leadership of Field Marshal Pibulsonggram.

action by air force; (4) Lack participation by civilian groups, such as Free Thai³ or Democrats, it was obvious coup must fail. However, fact that attempt resulted from jumping the gun by only few elements in a bigger but as yet uncrystalized pattern is significant: It (1) makes clear not all non-revolting forces are solidly behind govt as many who refused join foolhardy action have been plotting against govt; (2) Indicates importance of factors which motivated fleet group make this desperate attempt. Various factors probably involved ranging from sheer impatience thru assumption other groups wld join, to possible goading of Admiral Taharn by pro-Commie elements. Emb unable assess this matter now but investigating. (But choice of ECA dredge handover ceremony as occasion for kidnapping believe not to signify anti-Americanism and purely coincidental.)

Fol is list key names and indication their position based on info available:

1. Admiral Sindhu Songgram Chai, CINC Navy—discredited with navy because allegedly denied it ammunition. Ruined with govt because, as Premier stated, to me, Sindhu had foreknowledge of plot and alerted ships to river. Furthermore delayed until last moment before coup ended to declare self publicly with govt. To be replaced by Vice Admiral Pholasin Thawanat.
2. Admiral Chalit Kunlakamthorn—definitely implicated and reported still at large.
3. Navy Captain Janon Purtrikhapha—definitely implicated and reported still at large.
4. Admiral Taharn Kamhiran—definitely implicated and reported still at large.
5. Admiral Chali Sinthusotmon—position doubtful, but involved as defended naval signal station, reported surrendered.
6. Admiral Pan Nawawichit and Admiral Zharon Rajanawa and Momrajawong Seni Promote—reported themselves to govt immed after coup started, did not take part.
7. Admiral Thamrong Nawaskwat—not appear to be involved.
8. Gen Kach Songgram—activities June 20 and 30 uncertain. Govt suspects him. Surrendered.

³ The Free Thai was an organization founded by Thai nationals living in the United States when the Japanese invaded and occupied their homeland in the spring of 1942. Among other things, they branded the existing government in Bangkok under the leadership of Field Marshal Pibulsonggram a puppet of the Japanese because it had, under Japanese pressure, declared war upon Great Britain and had tried to do the same to the United States, and they pledged to restore democracy in Thailand after the country's liberation. The United States supported this organization and its aspirations during the course of World War II and helped the Free Thai establish an underground resistance movement against the Japanese. Its leader was Pridi Phanomyong, who had participated in a *coup d'état* on June 24, 1932, which had led to the introduction of a democratic system of government in Thailand and had ended the absolute monarchy. After World War II, democratic and constitutional practices, under the auspices of Pridi and the Free Thai movement, returned to the country until the military takeover late in 1947. For documentation regarding American dealings with the Free Thai, see *Foreign Relations*, 1943, vol. III, pp. 1118-1125.

9. Gen Wira Wirayotha—probably not implicated altho named on rebel radio as participant. Denies implication.

10. Air Marshal Thewarit Panluk—possibly implicated, reported in custody.

Fol are Emb first impressions probable consequences attempted coup and its suppression.

1. Navy to be drastically reduced in strength, perhaps sterilized of all political influence. Some sources say army-police will completely take over navy, but this seems over-stated. Others surmise navy will be kept as coastal force but all installations will be moved from Bangkok.

2. Army-police more firmly in saddle. Gen Phao's ⁴ influence will increase. Because of important part in suppression Gen Sarit Thanarat's ⁵ influence probably will increase. A new force added, i.e., Air Marshal Fuen Ronnapakat ⁶ whose ruthless stand for govt in bombing naval installations probably will increase his stature.

3. Govt as a whole will become more of a mil dictatorship.

4. Because he cannot claim credit for defeat of rebellion since he a prisoner throughout, Phibun will have more difficulty controlling coup party leaders. Now must deal thru Phin,⁷ Phao, Sarit and Fuen, thus complicating problem of balancing forces. Hence Phibun probably to become more of a figurehead, superimposed on mil junta.

5. Removal of navy means elimination one factor which previously kept 1947 coup party ⁸ leaders somewhat restrained. Other hand Emb expects rivalries will develop between four above mil leaders.

6. Difficult evaluate public opinion accurately yet. But people disapprove strong govt suppressive methods, particularly air force bombing.

7. Strong reprisals possible as colonel in premier's secretariat asked me to be understanding if stern measures used against navy. We fear too drastic measures against navy leaders might force break up navy into small banks susceptible subversive control. Other hand we advised to date no unimplicated civilians have been seized.

8. Chi remain aloof, disapproving violence as bad for business. Regard conflict as quarrel between two mil clients, both bad. Altho local Chi Commies have not yet exploited propaganda advantages, incident offers opportunities for exploitation. Can attribute revolt to popular displeasure with dictatorial govt. Can interpret connection

⁴ Lt. Gen. Phao Sriyanon, Deputy General of the Thai Police.

⁵ Commander in Chief of the Thai First Army.

⁶ Commander in Chief of the Thai Air Force.

⁷ General Phin Chunawan, Commander in Chief of the Thai Army.

⁸ The 1947 Coup Party was composed of military leaders who wished to overthrow the existing democratic government in Thailand and to reestablish an authoritarian regime. Officers such as Gen. Phin Chunawan, General Phao, and Gen. Sarit Thanarat planned and executed the successful *coup d'état* of November 8, 1947, which placed Field Marshal Phibun Pibulsonggram back in power. The attempted coup of June 29, 1951, was staged primarily by elements of the Navy who were discontented with the *status quo*, who wished to overthrow these officers rather than the Field Marshal, and who wanted to assume more power for themselves. Field Marshal Pibulsonggram was retained by the Coup Party leaders in the wake of these events because they believed he had become extremely popular with the United States, which enabled Thailand to obtain military and economic aid.

of kidnapping with *Manhattan* turnover ceremony as showing people disapprove govt cooperation with America. Can attempt woo disgruntled navy men. Coup advantageous to Commies because increases disunity, weakens mil potential and offers opportunity accuse MAAG of providing weapons used in revolt. Commies can now concentrate on civilian, political organizational and propaganda campaign exploiting revulsion against periodic mil amassings. Only clue to possible Commie inspiration is unsubstantiated hypothesis that Commies may have deliberately goaded Admiral Taharn into precipitating plot too soon, knowing navy wld be defeated and resultant bitterness wld make Thai more fertile field for them. Emb investigating this thesis but at present no evidence exists.

Altho as Dept aware there is great dissatisfaction with corruption, high cost of living, inefficiency, yet we do not believe these factors of primary importance in this coup.

Emb detailed interpretation of coup based on further investigations to fol by despatch.

Rptd info Manila 5, Saigon 4, pouched Rangoon, Chiengmai.

TURNER

792.5-MAP/7-1251 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

SECRET

BANGKOK, July 12, 1951—5 p. m.

119. Since recent coup attempt officers of Embassy and MilAtts and MAAG have been giving much thought to matter of future MDAP Thailand. We feel that situation has now clarified sufficiently to attempt reply to Deptel 9, July 2.¹

Our understanding is that MDAP Thailand was originally conceived as calculated risk with primary objectives (1) alignment Thailand with US and UN against Communism, (2) resistance external aggression, (3) stabilization govt.

We believe that in first objective MDAP has been remarkably successful; in second reasonably so. As regards third objective recent events have unmistakably demonstrated that basis of govt is unstable and that further disturbances are probably ahead. Thus increased likelihood of internal upheaval in turn increases possibility of re-orientation by govt in respect of its foreign policies. In other words, our calculated risk has become riskier as result of recent incident.

While recognizing increased element of risk in MDAP Thailand we must also recognize that attitudes and policies of present govt leaders, especially in international affairs remain unchanged, not with-

¹ In telegram 9 to Bangkok, July 2, the Department informed the Embassy that MDAP aid for the Thai Navy had been deferred pending further decisions, which would be based on the recommendations of the Embassy and the Military Assistance Advisory Group (792.00/7-151).

standing certain changes in leadership and alignment of forces within govt as result of incident. PriMin and FonMin ² have given repeated assurances their policies of govt remain unchanged, and we have observed nothing which would indicate the contrary. Govt leaders have uniformly indicated desire for continued MDAP aid.

We must also recognize that abandonment or even material modification MDAP Thailand at this time might very likely defeat all our efforts thus far. It might very conceivably cause govt to reconsider the very extended position it has taken on our side and convince govt of wisdom of making some accommodation to Communism. We should also recognize that cost of program to us relative to our position in SEA and Asia generally is minute.

In light of foregoing we recommend that program for FY-51 to which we are committed be continued unchanged, except as regards material for navy.

For latter we recommend shipments not already on water be suspended, subject to our later recommendations which will follow as situation develops and govt plans for navy crystallize. I am addressing a formal note to PriMin asking for information re scope of navy reorganization with view to determining amount and character of future MDAP matériel and training for navy. Our recommendations will take Thai Govt's reply into account. These recommendations will also cover matter of frigates mentioned in reftel.

As regards plans for future (FY-52 program and thereafter) might well proceed on basis that program will continue unchanged, but should avoid any commitment whatsoever at this time.

TURNER

² The Foreign Minister of Thailand was Nai Worakan Bancha.

892.10/7-1751

*Memorandum of Conversation, by Mr. Wilfred Malenbaum, Chief,
Investment and Economic Development Staff*

SECRET

[WASHINGTON,] July 17, 1951.

Subject: Supplementary Loans to Thailand

Participants: Eugene R. Black, President, International Bank for
Reconstruction and Development

Willard L. Thorp—State Department ¹

Wilfred Malenbaum—State Department

The meeting was arranged by Mr. Thorp to discuss with the IBRD, the U.S. Government's problem of increasing, through the use of new

¹ Assistant Secretary of State for Economic Affairs.

loans, the proposed \$7 million U.S. grant aid program to the originally contemplated \$12 million figure. Mr. Thorp outlined the background of the problem and the strong reasons for the U.S. desire to maintain a \$12 million figure in discussions with the Thais. Such loan action could perhaps most readily be obtained through the Eximbank. However, in view of the IBRD loans recently made to Thailand, the Department thought the IBRD might be interested in further loan action.

Mr. Black made the following points:

(1) The Bank management has had difficulties in the loans already negotiated with Thailand because the strong Thai financial position did not seem to justify public loan assistance. Mr. Black called particular attention to the fact that the Thai Government and nationals have been investing heavily in IBRD bonds here and in London. Moreover, there were no Thai requests before the Bank nor was there much evidence of the need for additional funds.

(2) Independently of (1), he foresaw a difficulty in the U.S. offering the Thais an IBRD loan. After some discussion, he did agree that a formula might be worked out so that the Thais, if they were prepared to take on \$5 million in additional loan obligations, could be directed by the U.S. to the IBRD.

(3) He made it clear that he would consider it most unfortunate to inject the Eximbank into Thailand. He indicated that such an injection would make more difficult the entire IBRD program in South-east Asia.

In the light of the above, Mr. Black said that he would discuss within the Bank the possibilities of further loans to Thailand and report to Mr. Thorp early next week on whether the Bank would be prepared to go ahead.² If it were, some procedure for transmitting this information at the appropriate time and through U.S. representatives would be discussed. Mr. Thorp told Mr. Black that no commitment had been made to the Thais for specific projects. The program originally worked out with the Thais had assumed a grant basis. In fact, we did not know for sure that the Thais would desire a credit. However, any program which was worked out would have to be done in close relation to the STEM Mission in Thailand.

² On July 23, Mr. Black informed Mr. Thorp about the status of the proposed loan to Thailand. The initial paragraph of Mr. Thorp's memorandum of telephone conversation read as follows:

"Mr. Black telephoned Mr. Thorp from New York re the proposed Thai loan. He said it was all right and that he presumed there was a good chance to get the grant of \$7,000,000. The Thais were supposed to get around \$5,000,000 as a credit, and if they talked with the Bank, the Bank would look at the request very sympathetically. The big problem is what the money is to be used for. The Bank does not object to talking with ECA about the program, but the Bank wants to know what the money is to be used for before it will grant the loan. In the last analysis, the Bank wants to be free to pick what the program will be. The last time the Bank looked at the Thai picture, there was some railroad extension that it thought should be done." (398.14/7-2351)

PSA Files ; Lot 58 D 25S, Box 13693

Memorandum by the Officer in Charge, Thai, Malayan and Indo-chinese Affairs (Landon) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Merchant)

[WASHINGTON,] July 17, 1951.

Subject: Foreign Military and Economic Assistance Programs for Thailand.

At the suggestion of Mr. Parelman,¹ I am forwarding to you some comments which I have prepared on aid programs for Thailand and the desirability for their continuance in the light of their past accomplishments.

[Enclosure]

ANALYSIS AND APPRECIATION OF FOREIGN MILITARY AND ECONOMIC
ASSISTANCE PROGRAMS FOR THAILAND

A. The Present Military Program.

On October 17, 1950, a military assistance agreement was signed between Thailand and the United States. Within three months from that date equipment began to be delivered to the Army, Navy and Air Forces. The program for 1950 and '51 was carefully calculated to achieve certain primary objectives which were: (1) to encourage Thailand to continue on its present political course of alignment with the free world and to remain a stabilizing force in Southeast Asia; (2) to assist the Thai armed forces in improving internal security and, by increased defensive strength, deterring external aggression; (3) to bolster internal political stability and help check Communism by strengthening the Thai Government.

To these ends the actual matériel allocated to the Army, Navy and Air Forces were so balanced as to avoid disturbing the political balances which rested upon the various Armed Services. It was fully realized that the stability of the government depended upon the preponderant forces of the Army and Police as over against the Navy. The police are mentioned in this connection not because they received military aid directly but because the army released to the police their more obsolete equipment as they were able to obtain modern arms. During the course of furnishing equipment, various substantive changes have been made in the over-all listings of equipment. These modifications as indicated in the section of this paper provided by the military establishment have not had an adverse effect upon the success of the military aid program in Thailand because the Thai

¹ Samuel T. Parelman, Special Assistant for Regional Programs to the Assistant Secretary of State for Far Eastern Affairs.

Armed Forces have been receiving just about the maximum amounts that they have been able to absorb up to date.

On the week end of June 29, 30 and July 1, the Navy engaged in military action with political significance against the regularly constituted government and arrested the Prime Minister, holding him for a time on board the flag ship of the Thai Navy. The resulting action in which the Army and Police subdued the Navy in less than two days illustrated the wisdom of the U.S. Government's policy in providing military aid on a carefully balanced basis. As it seems apparent that considerable reorganization of the Navy would be brought about, it was decided that shipments not already on the water for the Navy should be suspended, subject to further recommendations from the Embassy and MAAG.

Request was made for the views of the Embassy, Military Attachés and MAAG as to the future of MDAP for Thailand. The report received coincides with the thinking in the Department that the first objective of MDAP, i.e., the alignment of Thailand with the U.S. and UN against Communism has been remarkably successful. In anticipation of MDAP the Thai Government began to take action in 1950 against Communism. Thus, on February 28, 1950 it officially recognized the Governments of Laos, Cambodia and Vietnam, thus aligning Thailand against the forces of Communism in those countries. Thailand also resolved not to recognize the Chinese Communist Government and prepared to resist its entry into the United Nations. A final and decisive move was made on July 21, 1950 when the Thai Government offered ground, air and sea forces to the United Nations Forces in Korea. It made a conclusive step when it resolved in conjunction with the United States Government at the United Nations to declare Communist China an aggressor in Korea. Thailand furthermore has consistently supported the United States policies in the various organs of the United Nations. The foregoing recital indicates also that the second objective has also been reasonably attained, i.e., for Thailand to resist external aggression. By its acts of recognizing the free governments in Indochina, it opposed itself to the actions of the Viet Minh who have been operating along the Thailand-Indochina border. In opposing the Chinese Communist Government, Thailand has given an unmistakable evidence of its intentions toward any Chinese aggression.

The third objective of MDAP was to help in the stabilization of the Thai Government. Notwithstanding certain changes in the leadership and alignment of forces within the government, as a result of the attempted *coup d'état* of June 29, the attitudes of the government remain essentially unchanged. The Prime Minister and the Foreign Minister have given repeated assurances that their policies remain

unchanged, and government leaders have uniformly indicated their desire for continued MDAP aid.

The abandonment or even material modification of military aid contemplated for Thailand in the years 1952-5 at this time, in the view of the Embassy, the Military Attachés, the MAAG, and the Department, might very well defeat all of our efforts thus far. It might conceivably cause the Government to reconsider the very extended position it has taken against Communism and might lead the government to consider accommodating itself to the forces of Communism. It should also be recognized that the cost of the program to the United States in relation to its position in Asia in general is minute. The program to which we are committed and which is anticipated should be continued unchanged except possibly as regards materiel for the Navy which awaits further recommendation and consideration by the Embassy and MAAG.

B. The Present ECA Program.

On September 19, 1950 an economic assistance agreement was signed between Thailand and the United States. The program was conceived in order to improve the economic position of Thailand as a nation and of the Thai people as individuals so that they might be economically strong against any possible temptations of Communism. After careful study by trained personnel in Thailand, it was concluded that U.S. aid should be along several principal lines: (1) port development; (2) improvement of railroad communications; (3) irrigation; and (4) public health.

The ECA program is just moving out of the planning stage and is beginning to have a substantive effect. Until July 1951 almost all ECA personnel in Thailand were administrative and the only evidence of the proposed program was the use of DDT in certain restricted areas of the country for the control of malaria. During the last couple of months a large number of technicians have been proceeding to Thailand, especially in the field of public health and agriculture. The personnel chosen have been of the highest order and the technical results should be substantial in the coming year. As for the port development, the ECA has granted a dredge to participate in the dredging of the harbor. Up to date the principal effect of the ECA program has been psychological in impressing the Thai with the value of American friendship.

The program was cut quantitatively from the original planned amount of about \$12 million to about \$7 million. It is expected that the remainder may be obtained by loan from the IBRD or Export-Import Bank. In view of the fact that the program has already been cut substantially, it seems imperative in order to keep good faith with the Thai people and government that the balance of the program be continued unimpaired.

398.14/8-951

*Memorandum of Conversation, by Mr. Leonard S. Tyson, Office of
Philippine and Southeast Asian Affairs*

RESTRICTED

[WASHINGTON,] August 9, 1951.

Subject: IBRD Loans to Thailand.

Participants: OFD—Mr. Stinebower,¹

PSA—Mr. Tyson

I called Mr. Stinebower to ascertain the results of Mr. Thorp's conversation with the IBRD regarding an additional five million dollar loan for Thailand² in order to cover the gap between the twelve million dollars which the Thais have been led to expect from ECA for the next fiscal year and the seven million dollars which the Congress has been asked to appropriate for Thailand. I asked whether Mr. Griffin's telegram³ (Ecato Bangkok, 796, August 3) is consistent with Mr. Thorp's conversations.

Mr. Stinebower explained in some detail the various conversations which he and Mr. Thorp had held with Mr. Lacy and once or twice with Mr. Landon. According to Mr. Stinebower, Mr. Lacy told Mr. Thorp that PSA fully appreciated and concurred in the E position that IBRD must be given an opportunity to turn down an additional five million dollars in loans before approaching the Export-Import Bank. During Mr. Lacy's conversation with Mr. Thorp, he continued, Mr. Thorp indicated his belief that probably the IBRD would decline to grant the additional credits and that Mr. Thorp would do nothing to encourage the IBRD to wish to undertake the loan. Mr. Lacy understood, however, Mr. Stinebower said, that should the IBRD not wish to step out of the picture, that then we would have no alternative other than to go ahead with IBRD financing of the additional loans. Pursuant to these conversations with PSA, Mr. Thorp discussed the problem with Mr. Black and learned that the IBRD did not wish to defer to the Export-Import Bank. Mr. Stinebower said that he felt certain that this closed the issue and that in accordance with the earlier understanding with Mr. Lacy, the Department's position must now be that the IBRD, rather than the Export-Import Bank should carry the additional lending. Mr. Stinebower added that we should be able to obtain copies of Mr. Thorp's conversations with Mr. Black from Mr. Springsteen of ED.²

¹ Leroy D. Stinebower, Director, Office of Financial and Development Policy.

² See the memorandum of conversation, by Mr. Malenbaum, July 17, and footnote 2 thereto, p. 1621.

³ Not printed.

Mr. Stinebower had not yet seen Mr. Griffin's telegram but judging from the substance of it, Mr. Stinebower felt that it was fully consistent with Mr. Thorp's conversations and with the Department's present position. His only comment on the propriety of Mr. Griffin's telegram was on the fact that Mr. Griffin authorized Mr. Flegel⁴ to advise the Thai Government, at his discretion, of the results of Mr. Griffin's conversation with the IBRD.⁵

⁴ Austin F. Flegel, Chief of Mission, Economic Cooperation Administration, Thailand.

⁵ According to the files of the National Advisory Council on International Monetary and Financial Problems (Lot 60 D 137, Boxes 362-369), no IBRD loan was extended to Thailand during 1951.

Bangkok Embassy file, Lot 57 F 139, Box 5

*The Chargé in Thailand (Turner) to Mr. W. Park Armstrong, Jr.,
Special Assistant for Intelligence to the Secretary of State*

TOP SECRET

BANGKOK, August 21, 1951.

DEAR MR. ARMSTRONG: Upon receipt of your Top Secret letter No. 1, enclosing a copy of SE-5, "Vulnerabilities of Communist China",¹ a census of views was taken among the Political Section, Controlled American Source, and the Service Attachés of this Embassy. I am glad to report that there is virtual unanimity of views regarding the four courses of action mentioned in your letter.² I am enclosing a rather detailed memorandum, prepared in the Political Section, which represents the consolidated views of the interested persons at this post.³ For ready reference, a summary of these views follows:

1. The Thai Government would be favorable to any of the four courses mentioned in your letter because of its belief that such actions would deflect China's aggressive intentions from Southeast Asia. If there is a truce in Korea, the Government's concern over possible Chinese aggression in this region will increase still further. The Gov-

¹ Dated May 22. Scheduled for publication in volume VII.

² Not printed. Mr. Armstrong, on July 3, wrote Mr. Turner a letter in connection with SE-5. The letter read in part as follows:

"In the case of the enclosed SE-5 your comments on the estimates contained therein are particularly desired; specifically and urgently needed is a statement of the Embassy's views as to how the government and peoples of Thailand would react to each of the following courses of action:

1. A Nationalist invasion of Communist China undertaken with US logistic support made available to the Nationalists on Taiwan and with no further US assistance;

2. A Nationalist invasion of China that would be accomplished through US logistic support, including US waterlift and logistic support of Nationalist troops on the mainland;

3. US naval blockade of Communist China;

4. US bombing of selected industrial and transportation targets in China." (Bangkok Embassy file, Lot 58 F 56, Box 6)

³ Not printed.

ernment's public expression of its support of the U.S. would depend largely on three corollary factors: (1) the moral case that could be made for U.S. action, (2) the position of the UN toward such action, and (3) the Government's estimate of the chances of U.S. success.

2. The Thai people's reaction to any one of the four courses mentioned would be generally similar to that of the Government although less well-defined. Intense Communist propaganda against such American action would influence a few people and create some confusion but would fail to turn the people generally against the U.S. More dangerous would be the subtle exploitation of the large body of "neutralist" sentiment which tends to oppose Thai commitments in major conflicts until forced to make them or until it is possible to discern the winning side. This sentiment could best be counteracted by rapid and striking initial successes in any campaign undertaken in Asia, thereby creating the impression that the U.S. had the situation and all possible consequences firmly under control.

3. The bulk of the Chinese here would be greatly concerned over a Nationalist invasion, but except for small groups of rabid pro-Communist and pro-Nationalists would generally adopt a wait-and-see attitude. The ultimate Chinese attitude would depend on the success or failure of the invasion. A Naval blockade would evoke little favorable or unfavorable reaction among the Chinese. American bombings in China, especially south China, would evoke animosity against the "foreign devils" attacking the motherland, whereas a Nationalist invasion would be regarded as a struggle of Chinese against Chinese. The reaction would be particularly unfavorable in case of the bombing of central and south China whence come most of the Chinese resident in Thailand. Although the reaction to Manchurian bombings in connection with the Korean action would be unfavorable, it would not be as vigorous or bitter as in the case of central and south China bombings.

4. The extent of U.S. logistic support of a Nationalist invasion would be relatively unimportant as the U.S. would be assumed to be behind the operation in any case. However, the greater the known U.S. involvement in the invasion the more important it would be to produce (1) a good moral justification for the invasion and (2) backing from the U.N. Also, the heavier the U.S. commitment to the invasion the more disastrous for American prestige would be a failure. This point is especially valid for the Thai Government, Thai people, and Chinese people in Thailand.

Although it is obvious from the attached memorandum that in Thailand, as elsewhere in Asia, forward estimates are as much a matter of gambling as of sound planning, nevertheless we believe that the climate of opinion in Thailand is generally more favorable to the U.S. and its objectives than is the case in any other country in south Asia. After making due allowance for all of the qualifications made in the memorandum, we believe, as indicated above, that the United States could count on at least a not unfavorable overall response to the four steps suggested in your letter, and in some cases the response would be highly favorable and quite open.

Very truly yours,

WILLIAM T. TURNER

892.00(W)/8-2451 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, August 24, 1951—4 p. m.

498. Re Deptel 451, Aug. 21, 1951, rptd Singapore 246.¹ Fol is full text press release re US-Thai rubber agreement:²

"The Govts of Thailand and the US today formalized an agreement regarding the export of natural rubber from this country to the USA. The agreement specifies that sale and purchase of rubber shall be through regularly established private trade channels in Thai and the US. The prices of the commodity shall be that at which rubber or equivalent grades and delivery can be sold at the time of offer in the world market.

"Under the agreement, the Govt of Thai assures the availability and allocation of 125,000 metric tons of natural rubber of standard RMA grades for purchase by private US interests and the Govt of the US during the 18 months period July 1, 1951 through Dec 31, 1952.

"The US Govt in turn agrees to assure the purchase by private coml interests and by the govt of the stipulated quantity of rubber.

"The agreement was signed by Phra Boribhand Yudhakrit, Min of Com for the Govt of Thai and by Mr. Wm. T. Turner, Chargé d'Affaires of the US".³

TURNER

¹ Not printed; the Department in Telegram 451 to Bangkok, August 21, instructed the Embassy to send the rubber agreement publicity release to Singapore and Washington (892.2395/8-2051).

² In telegram 415 to Bangkok, August 17, which is not here printed, the Embassy was instructed to publish the full text of the rubber agreement with Thailand to demonstrate to other nations that they, too, would receive equal treatment just as the Thai were. The Embassy was also ordered, however, to refrain from exaggerations which would allow the Communists to point out that the United States would likely purchase the same amount of rubber from Thailand with or without an agreement, and the Department reminded the Embassy that the rubber agreement originated in the Thai desire to be able to counter any possible Soviet offer with the statement that Thai output was under contract and therefore not available to the Soviet bloc, which remained the principal value of the agreement to Thailand. (892.2395/8-1451)

³ The Department of State did not publish this accord in TIAS because it was an "implementing agreement" associated with the Economic and Technical Agreement of September 19, 1950, the text of which is printed in TIAS No. 2170; 1 UST 915. The original copy of the rubber agreement, however, may be found in file 892.00-R/8-2551, and most of the material regarding the negotiations leading to the accord may be found in file 892.2395.

792.5-MAP/10-2251 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, October 22, 1951—4 p. m.

929. Re Depcirgram Oct 2, 4:35 p. m. and Depcirtel 338, Oct 12,¹ semi-annual MDAP report.

¹ Neither printed.

For photographs illustrating scope MAAG program and unclassified summary effects pertaining to MAAG refer Embdes 274 and 277, Oct 18² marked urgent and sent unaccompanied pouch No. 4-1510 invoice No. A-68. As instructions were only received Oct 15 Emb unable meet Oct 25 deadline except by telegram. Following represents joint views Emb and MAAG on evaluation MAAG program covering April-October 1951 period. Certain parts necessarily classified due security reasons here.

Begin unclassified. With arrival considerable MDAP arms and equipment, intensive training in Thai Army and Air Force moved ahead readily during this period. Army now well grounded in maintenance procedures, warehousing, stock records, and use of all MDAP infantry weapons already arrived under FY 1951 program. After successful completion two MAAG supervised infantry training courses Thai officers now in position give instruction to nine US-equipped battalions stationed in provinces. These battalions may be termed effective front line troops by March 1952 following extensive field exercises under MAAG guidance. *End unclassified.*

Begin confidential. First two RTAF squadrons which have completed T-6 training and are now conducting transition flying in MDAP F8F aircraft will be effective fighting units by Feb 1952; third squadron by Oct 1952. Three additional squadrons will be activated as pilots become available from primary flying school which has been completely reorganized along USAF lines. One dive bomber squadron utilizing six MDAP S-B-2-C's and dive bombers already purchased from Britain will be activated January 1952; one fighter squadron in March 1952 and another in March 1953. Estimate squadrons will be combat ready one year from date activation. *End confidential.*

Begin unclassified. MAAG chief highly pleased with eagerness, cooperation and ability Thai Army and Air Force officers absorb rapidly modern military methods. Should be noted flying time increased 300 percent for first three squadrons, 400 percent in primary flying school since advent of MAAG. Thai cooperation demonstrated by ready acceptance of infantry, artillery, communications and air force doctrines introduced by MAAG. *End unclassified.*

Begin confidential. Main criticisms of army are initial failure Thai authorities fulfill commitment build up to two-thirds US strength fifteen battalions to receive US equipment and their inability realize thus far that army would become more effective fighting force if present battalions now scattered thruout provinces could be formed into well integrated regimental combat teams. In this connection should be noted Thai have already brought nine US equipped battalions to required strength and promise strengthen remaining six after April

² Neither printed.

1952 conscription. Thai also favorably considering essential MAAG recommendations to form regimental combat teams and to revise current draft law to permit (a) more frequent inductions, and (b) basic training system which would prevent raw recruits from joining field units already trained.

As both projects require parliamentary action and increase in budget, doubt if they will be consummated in near future. Rather anticipate changes will be gradual spreading over two-three year period.

During next fiscal year (calendar 1952) Thai Govt should be able absorb anticipated MDAP equipment physically and financially. Ability expand beyond December 1952 depends largely on Thai Govt willingness spend funds necessary to make effective use of equipment being furnished. Altho nation can afford this, political opposition to increased military budget over prolonged period and lack of necessary financial reforms may prove stumbling blocks. US, therefore, must constantly examine problem as additional equipment arrives. *End confidential.*

Begin unclassified. Thai economy currently sound but basically dependent on agriculture and mining, i.e., rice, timber, rubber, tin. Current income from these items now at high point but any reversal price situation world market would have serious effect govt income. While major price declines not immediately probable, Thais aware future economic vulnerability due lack of diversification. Funds additional to normal income difficult secure in view extremely tight local commercial credit situation which discourages flotation internal loans.

Prior to June 29 coup attempt Royal Navy made satisfactory progress in regunning 50 percent of its vessels, in communications techniques, and in testing and firing MAAG equipment. Since then, however, navy has been inoperative with only officers and petty officers reporting for duty. Navy section of MAAG program temporarily suspended pending long awaited navy reorganization; and chances of navy becoming effective force in near future look slim.

Both MAAG program and extensive Thai Korean participation have tended improve morale of armed services who appear eager to get on with job; officers are gradually becoming conscious of their part in defending free world. US support including military aid has probably been responsible in large measure for strong anti-Commie stand by govt (e.g., all out support in UN, economic embargo against Commie China, et cetera). Thinking provincial people in areas where MAAG operating with Thai battalions generally look with favor on US assistance and appear to be turning more and more to Thai Govt for security—something they never had before. As training of additional battalions increases, news of MAAG should spread, thereby awakening hitherto indifferent provincial minds to fact that Thai

Govt thru US assistance intends to protect them from Commie aggression. *End unclassified.*

Begin confidential. Main criticism of MAAG comes from two sources: (1) local Thai and Chinese Commie and fellow-traveler elements as well as Peking, Viet Minh and Moscow, (2) certain politically conscious factions opposed to present govt. Altho details re first fully explained in Embdes 277, Oct 18 should be noted Commie efforts in Thailand largely directed at intellectuals, students, white collar workers primarily in Bangkok area. No effort thus far to conduct large scale labor or grass roots movements propaganda or otherwise. Second group have been more noticeable since vigorous suppression of coup attempt as it feels US assisting present unpopular ruling clique within govt (controlled by 1947 coup party headed by Police Dir Gen Phao and Army C-in-C Phin) rather than Thailand as a nation. MAAG has made efforts point out MAAG here to build up nation against external aggression, but doubt if those opposed to govt will be impressed as long as 1947 coup group continues tighten its hold on govt thru increasing exploitation its military power.

With above points in mind Thai forces now in position to suppress any purely internal Commie-inspired uprising. However, due to weaknesses in high command, logistical and medical support we expect Thai forces will not in foreseeable future be reliable for a successful independent campaign against well conducted external invasion. While Thailand could make Chinese Commie-led invasion initially most uncomfortable any prolonged resistance could not be expected without active assistance from abroad, in which case Thailand's contribution would become highly valuable, as has been their battalion in Korea. *End confidential.*

TURNER

792.00/11-351 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

SECRET PRIORITY

BANGKOK, November 3, 1951—3 p. m.

1030. Army, police, and Air Force placed on alert fol Premier's announcement in Senate Oct 30 that police have obtained info to effect Commie underground planned intensified activity in Thailand beginning Oct 31. No signs unrest thus far.

In discussing above events on Nov 1, reliable Amer intimately connected with Thai police circles informed Embassy officer fol:

1. Does not believe Commie threat within Thailand particularly large or imminent.
2. Has not noticed any sign leading to belief that external Commie threat has recently increased.
3. New alert may be connected with Thai domestic politics.

4. Concerning Phibun versus Phao rivalry, felt that Phibun may now be attempting strengthen his position while Phao out of country by using first army commander Sarit Thanarat. In this connection he stated that for past two months Sarit has talked in loud insulting terms to Phao who has replied in nothing but polite terms and that as far as he knows Sarit well liked throughout army and commands nearly all army support.

5. Felt that any coup in relatively near future probably wld be instigated by and centered around "top men" only, i.e. Phibun aided by Sarit against 1947 coup party headed by Phao.

6. When asked why Phao wld have departed for Europe unless he felt sure of his position source replied that Phao cld not very well refuse to fulfill order to visit King and arrange for his security on trip home.¹

7. Source who two months ago tended favor Phao as most stabilizing factor in Thailand, now feels it in best interests of US Govt to see Phibun placed securely at helm.

Embassy comment: Foregoing is of course one man's view. But there are sufficient indications from other sources to warrant belief that these views are well founded. We shall report details by despatch. Our conclusion is that present time is opportune for Phibun to strengthen Govt by splitting coup party, ousting Phao faction and siding with Sarit faction. Phibun's motive for so doing wld be clear. The urgency is great and will increase as next elections approach. Phibun's chances of such reorganization will probably be less after elections. There is reason believe that Phibun is considering some such step, altho we have no direct reports of any specific coup in the offing. Nevertheless situation appears favorable for a Phibun stroke to split coup party, oust Phao and commence reorganization of govt.

TURNER

¹ King Phumiphon was living in Switzerland but had decided to be the first Thai monarch to reside permanently in Thailand since 1934.

PSA Files : Lot 55 D 277, Box 9509

The Chargé in Thailand (Turner) to Mr. Robert P. Joyce, Policy Planning Staff

SECRET

BANGKOK, November 7, 1951.

OFFICIAL INFORMAL

DEAR BOB: Some comments by me are due anent the mystery of the recent communist coup scare and the general alert put into effect by the Thai Government. Please refer to Deptels 874 Oct. 18,¹ 973

¹ Not printed ; in telegram 874 to Bangkok, October 18, the Department asked the Embassy to evaluate information emanating from Taipei to the effect that Chinese Communist elements were planning an attempt to overthrow the Thai Government in the latter part of November (792.00/10-1851).

Nov 1 etc.² It's an extraordinary story, which you may or may not have got from other sources before now. I get the story from a source which I have no reason to doubt, and being what it is I can't divulge it even to our bird-dogs in the Political Section. Hence some rather confused reporting emanating from this Embassy.

As far as I can judge, the whole business is the result of another concoction of the Taipei rumor-mill. The commie scare story was picked up by our various intelligence agencies in Taipei and forwarded to us for evaluation. One such message went to the Bangkok CAS (operations), who apparently have trouble identifying some of the coded names appearing in the message. Whereupon an assistant in that outfit took it upon himself to consult Mr. Willis Bird in the effort to make the identifications. Mr. Bird, as you may remember, featured somewhat prominently in the June 29th incident as the character who handed over a lot of military equipment to the Police, without any authorization as far as I can determine, and whose status with CAS is ambiguous, to say the least.

Mr. Bird, again without any authorization, takes the message to Phra Pinit, Acting Police Chief in Phao's absence. Pinit hits the ceiling, rushes over to Pibun, and they decide on a general alarm since the warning emanated from impeccable American intelligence sources! So for several days we had a state of emergency in the city with the Police mobilized and everybody jittery. Pibun had to make some rather lame excuses in the Parliament, and explained that the alarm had been based on an intercepted code message.

The story would be funny if it did not have some serious aspects. I must say I don't like the serious breach of discipline, and of security, involved in this matter. What kind of an organization is it that allows subordinate officers to pass around highly classified (TopSec to us) messages to odd characters outside of the organization? Why is this man Bird allowed to deal with the Police Chief in such matters? Why was I not informed at once (instead of today, indirectly) of what had happened, so that I could have assessed the situation properly instead of having our Political Section bird-dogs doing hand-springs in the effort to unravel the mystery and sending faulty estimates to the Department? Frankly, I don't like it, and unless there is some better effort at discipline, I'm going to take a stronger hand in the matter. We simply cannot allow these people to upset an already jittery situation, and to cause a loss of confidence in us and in our intelligence among Thai leaders.

I am sending a copy of this letter to Ken Landon.

Sincerely yours,

WILLIAM T. TURNER

² Not printed; in telegram 973 to Bangkok, November 1, the Department transmitted to the Embassy the texts of the messages from Taipei forecasting the imminence of an attempted *coup d'état* (792.00/10-3151).

S92.00-FA/11-2351 : Airgram

The Acting Secretary of State to the Embassy in Thailand

CONFIDENTIAL

WASHINGTON, November 23, 1951.

A-184. Interested agencies concur in handling new criteria for eligibility for United States aid and other provisions of Mutual Security Act¹ through exchange of notes. Draft, which comes at end of this airgram, was prepared for submission to the Government of Thailand on the basis appropriate discussions between officials of the Embassy and the Thai Government.

Prompt action this note urgent due provisions MSA (Section 531) that no military economic or technical assistance may be furnished any country which shall not have agreed to Section 511 assurances within 90 days, i.e. by January 8, 1952. Failure of Thailand to provide necessary assurances will jeopardize continuation of current assistance programs under Economic Cooperation Agreement and agreement on military assistance.

It is clear from the legislative history of Section 511 and from the use of the words "has agreed" in that section that the requirement laid down therein can be fulfilled without receiving a fresh series of commitments if it can be found that in existing agreements Thailand has already accepted the commitments contained in the section. However, it has been concluded that the Executive Branch will respond to the Congressionally imposed requirement in the most direct fashion by requesting all countries receiving aid to subscribe to those undertakings in the words of the section. To try to spell out of the United Nations Charter, the North Atlantic Treaty, and other documents the commitments laid down in section 511 would involve a semantic exercise of some proportions, at the end of which there would be danger that the Congress would remain unpersuaded as well as somewhat annoyed. For it is not at all apparent to those who inserted this section into the statute why any nation should have any difficulty subscribing to these commitments. It is felt that any nation which received aid from the United States ought to be willing, without hesitation, to embrace these general political commitments which seem, at least on their face, to involve nothing more than an agreement to do what in good conscience any recipient of aid ought to agree to.

In order to provide for the continuation of the present economic and military assistance programs for Thailand after January 8, 1952 paragraph one of the draft note below has been prepared on the basis of the language of section 511(a). Most serious difficulty foreseen by Department to Thailand's acceptance of paragraph one is to point three. With particular reference to this point, the Thai Government

¹ Approved October 10; 65 Stat. 373.

may feel that it has not assumed any "military obligations" under other agreements or treaties "to which the United States is a party". Mere membership in the United Nations is not considered the assumption of a military obligation. On the other hand, membership in the Inter-American Treaty for Reciprocal Assistance, the North Atlantic Treaty, and bilateral defense treaties with the United States are deemed to involve "military obligations" as that phrase is used in this section. Therefore, while point three is desirable in the interest of removing all possible basis for questioning Thailand's compliance with Section 511, it is not directly applicable to Thailand in the absence of "military obligations" in the sense in which these words are used. If in your judgment Thai officials likely to find the language of point three objectionable and presentation would result in unnecessarily irritating the Thai Government, this point may be dropped from draft note.

Paragraph No. 2 of draft note is based on section 524 of MSA which requires the President to make appropriate arrangements with recipient countries for the return of equipment or material no longer needed for the purposes for which originally made available. Such procedures have already been proposed to a number of countries. It is considered desirable to insert this general undertaking in all the agreements with countries receiving assistance under the Mutual Defense Assistance Act.

Paragraph No. 3 of the draft note is based upon section 515 of MSA and follows language of that section. You may point out this section was enacted out of concern by Congress for situation in which funds intended for Greece were attached in Belgium during past year. It is recognized that in certain situations attachments are possible on United States foreign aid funds wherever assistance program operates. Problem becomes generally significant only in those cases where advances of funds are made prior to actual delivery of goods and services. Provision would have no effect where the country obtains the commodity or service involved with its own resources and United States reimburses such country on receipt of documentation showing that commodity or service has actually been purchased and delivered or where the United States makes available commodities or services and payments are made directly by the United States to suppliers. In those cases where the attachment provision will require action to be taken, the Thai Government can be assured that the United States will cooperate in helping to work out arrangements for compliance that will not be unduly burdensome.

Inclusion of paragraph No. 4 is necessary since section 502 of MSA abolishes ECA and transfers its powers and responsibilities to the Mutual Security Agency.

Final paragraph. Local conditions may require some modifications in the form of the closing paragraph. These will be considered by Department so long as a legally binding agreement is achieved.

In view of the January 8 deadline, urgency prompt action on conversations and exchange of notes again stressed. Progress on negotiations should be reported.

Text of draft note follows :

"Excellency: I have the honor to refer to the conversations which have recently taken place between representatives of our Governments relating to the effect of the enactment by the Congress of the Mutual Security Act of 1951 (P.L. 165, 82nd Congress) upon furnishing assistance under the Economic and Technical Cooperation Agreement signed on September 19, 1950, and the agreement on military assistance signed October 17, 1950, between the Government of the United States and the Government of Thailand. I also have the honor to confirm the understandings reached as a result of these conversations, as follows:

1. The Government of Thailand hereby confirms that it has agreed to

- (1) join in promoting international understanding and good will, and maintaining world peace;
- (2) take such action as may be mutually agreed upon to eliminate causes of international tension;
- (3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;
- (4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;
- (5) take all reasonable measures which may be needed to develop its defense capacities; and
- (6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

2. The two Governments will establish procedures under which equipment and materials furnished by the Government of the United States under the Mutual Defense Assistance Act of 1949, as amended, or by either Government under the terms of the October 17, 1950 Agreement, other than equipment or materials furnished under terms requiring reimbursement, and no longer required for the purposes for which originally made available will be offered for return to the Government which furnished such assistance for appropriate disposition.

3. The two Governments will establish procedures whereby the Government of Thailand will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken by the Government of the United States so that such funds shall not be subject to garnishment, attach-

ment, seizure or other legal process by any person, firm, agency, corporation, organization or Government, when in the opinion of the Government of the United States any such legal process would interfere with the attainment of the objectives of the said program of assistance.

4. The reference in Article 1 of the Economic and Technical Cooperation Agreement to the Economic Cooperation Administration shall refer also to the Mutual Security Agency.

Upon receipt of a Note from your Government indicating that the foregoing provisions are acceptable to the Government of Thailand, the Government of the United States of America will consider that this Note and your reply thereto constitute an agreement between the two Governments on this subject which shall enter into force on the date of your Note in reply."

Foregoing note, if acceptable, would cover all changes presently necessitated by the Mutual Security Act. While Act also extended use guaranties (Section 520) this will be subject separate approach.

WEBB

792.00/11-2951 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

RESTRICTED NIACT BANGKOK, November 29, 1951—11 p. m.

1217. Military junta has forced resignation PriMin Phibun and Cabinet and formed executive comite nine men to reorganize Govt, composed of fol: Gens Phin, Sarit and Dej for Army; Admirals Sunthorn, Yuthasart and Chamarn for Navy; Air Marshals Fuen, Cherd and Prung. These all '47 coup party members. Gen Phin is provisional head of Govt and police Gen Phao is appointed "preserver of the peace". Radio announces fol: (1) Govt has ceased to function as of time of announcement (2) Parl dissolved (3) Provisional executive comite will exercise governmental auth. Also announced that the constitution is abolished and 1932 constitution restored;¹ elections will be postponed and new Parl will be appointed (6) Announcement emphasized that this is purely internal change that foreign policy is in no way affected; that Govt will adhere to UN and will resist and suppress communism even more strongly. Announcement reassured foreign community.

Reliably informed by source close to PriMin that new Cabinet will be appointed shortly with Phibun as PriMin and also DefMin and composed almost wholly of former Cabinet members including Worakan as FonMin. Phibun is reported now en route to report change to Regent.² We hear Phibun objected strenuously to this

¹ For the explanation of these constitutional changes, see *infra*.

² Prince Dhani.

change on grounds wld have adverse effect on confidence abroad but was overruled.

Chief CID cabled to reassure me that city was quiet and that no disorder need be expected.

It is too early as yet to assess significance this coup but expect to make full report soonest. Reliable sources indicate that there is anti-Royalist motive behind the action. (King is expected arrive December 3).

Dept pass Defense. Rptd info Manila 93, priority Saigon 32.

TURNER

792.00/11-3051 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, November 30, 1951—3 p. m.

1233. Insufficient info yet offer firm analysis Nov 29 coup. Fol based solely on preliminary observations.

1. Causes. Coup apparently motivated by desire 1947 Coup Party curtail power of King. Gen Phao's two recent missions to King in Lausanne failed as King reportedly castigated whole govt. Coup Party desired also abolish April 1948 constitution which gave King great power, e.g., unlimited power appoint 100 Senators. Essential take action before King returned Dec 2. Furthermore Coup Party long resented fact that though it put present govt in power and controls most mil force it largely excluded from power in Parliament and civil admin.

2. Probable immed results. Coup Party now supreme politically as well as militarily. Phibun appears correspondingly weaker having lost Navy last June and now losing Parliament. Split between Sarit and Phao temporarily healed, but with Coup Party now in complete power split likely reappear.

3. Legal position now. Regent refused sign proclamation substituting 1932 constitution for 1948 constitution; therefore legality new Cabinet under Phibun in question. FonMin told me new Cabinet is *de facto* govt but in our view nine-man mil Junta may hold ultimate control. Previous Parliament wiped out. Coup Party published in police newspaper list 123 nominees to new Parliament consisting of virtually entire 1947 Coup Party and 19 members 1932 Coup Party. Appointments not made owing to uncertain legal position new govt. Regent and one source close to PriMin mentioned fear King might abdicate.

4. Coup Party attempting create impression new govt a union of 1947 and 1932 groups. At present this appears to be false and ad-

mission 1932 leaders to govt depends on Phibun's ability re-establish control. FonMin told me Coup designed strengthen govt against Commies. This likely be govt's line toward foreign countries.

5. Opposition views. First reports suggest Democrat pro-Royalists will lose what little power they have. Some former Pridi-ites expressed hope Phibun will reassert this power. One Pridi-ite predicted 1947 Coup Party will be ousted by Phibun and 1932 leaders before next elections estimated for March.

6. Foreign relations. Govt announced Coup purely internal and foreign policy will remain unchanged. Probably true inasmuch as mil leaders desire foreign recognition and continuance US aid. First impression new govt under Coup party less stable than previous, however, necessary not to underestimate Phibun's polit acumen.

7. We shall continue to observe and report on developments as situation clarifies.

TURNER

792.00/11-3051 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL PRIORITY BANGKOK, November 30, 1951—6 p. m.

1232. FonMin informs me mil comite gave power this morning to new Cabinet which now functioning. He stated that govt is *de facto* and will remain so until sanction given by King and ratification 1932 constitution, which govt hopes will be forthcoming immed upon arrival of King. He stated that Regent had refused to name Phibun Prime Min and had resigned; that accordingly Cabinet considers itself Regency Council in accordance with provisions of newly imposed constitution.

Prince Regent confirms that he declined ratify acts of mil comite or promulgate newly imposed 1932 constitution. He plans advise King upon arrival to await calling of Parliament and its action before accepting new constitution and govt. Regent realizes that parliament appointed by new govt under provisions 1932 constitution wld ratify any measure taken by new govt. He feels delay on part of King wld help avoid impression King forced to accept new cabinet and constitution.

We are now faced by problem of recognition new govt. Without attempting to decide upon legal technicalities involved, we think it advisable to withhold recognition of *de facto* govt until King arrives. If King sanctions new constitution and government, we see no reason to withhold recognition. However, there is possibility King might

abdicate. I have consulted with Brit and other colleagues whose views are approx parallel. Please instruct urgently.¹

TURNER

¹In telegram 1193 to Bangkok, November 30, the Department replied that "question recognition or non-recognition new Govt need not be raised at this time and that Govt shld be treated on *de facto* basis pending further developments." (792.00/11-3051)

892.00-FA/12-351 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, December 3, 1951—5 p. m.

1246. We believe point 3 para 1 of draft note contained in Dept's A-184, Nov 23, wld be misunderstood by Thais and agreement thus made more difficult. More important reason for removing point 3 from draft is strong probability that its inclusion wld tend to confirm Commie claims that US mil and econ aid is in return for full Thai coop in "aggressive US mil intentions" and wld support arguments of those here who profess fear of mil domination by US.

Emb is consequently proceeding with negots on basis of draft from which point 3 has been dropped. Progress will be reported.

TURNER

892.00-FA/12-451 : Telegram

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, December 4, 1951—6 p. m.

1253. Informal discussions leading toward exchange of notes required under provisions MSA were begun with FonOff official today. Copy of draft note contained Dept A 184 Nov 23 with point three of para one omitted was left with him for study by Thai Govt.¹

Official seemed understand purpose note exchange and said that at first glance he thought provisions our draft wld be acceptable Thailand. When Emb officer stressed urgency Thai official remarked normal bureaucratic delays wld be increased by the confusion prevailing among top officials fol last weeks govt change.²

TURNER

¹In telegram 1254 to Bangkok, December 12, the Department accepted the Embassy's suggestion to delete point three of paragraph one of the draft note (792.5 MSP/12-1251).

²The Government of Thailand agreed to the terms contained in the draft note on December 29. The text of the agreement is printed in TIAS No. 2619 ; 3 UST (pt. 4) 4653.

792.02/12-551

Memorandum by the Director of the Office of Philippine and Southeast Asian Affairs (Lacy) to the Acting Assistant Secretary of State for Far Eastern Affairs (Allison)

RESTRICTED

[WASHINGTON,] December 10, 1951.

Subject: Mr. Peake's Memorandum "Recognition of New Regime in Thailand"¹

The question of recognition of the recent constitutional and governmental changes in Thailand was not raised because King Phumiphon continued without interruption as Chief of State. If he had not sanctioned those changes and had been forced to abdicate then of course the question would have been raised. Those forces which brought about the changes were also those who have been in charge of the government since 1947 without interruption. Furthermore, they are the very elements which have identified themselves in purpose with the free nations of the world opposing Communism. The fact that the King has approved of the changes indicates his acknowledgement that there could be no successful opposition of an internal political nature.

The memorandum under question mentions "the strength of constitutional forces involved" and the "lessening of faith in democratic processes." As far as Thailand is concerned, the Government has always been authoritarian whether under the absolute monarchy or during the constitutional regime which began on June 24, 1932. During the last twenty years Thailand has had a one-party form of government which was initiated under the 1932 constitution. The recent changes were aimed against a drift toward possible multiple party government. The 1948 constitution provided for multiple political parties; the parliament as previously constituted provided a platform for splinter opposition groups which attacked the government on every occasion; elections were due in March 1952; and the King, an unknown quantity Thai politics, was due to arrive. The conjunction of these factors made the governmental elements decide to recreate a situation more favorable to one-party government. Consequently, the recent coup was not against any political organization or group as such but against the current constitution and the parliament. Even though Thailand has developed a certain amount of democratic equipment during the past twenty years, it has not yet learned to use it in a

¹ Not printed. In this memorandum of December 5, which was addressed to Mr. Allison and to Mr. U. Alexis Johnson, Director of the Office of Northeast Asian Affairs, from Mr. Cyrus Peake, Intelligence Adviser to the Bureau of Far Eastern Affairs, the latest *coup d'état* was analyzed as a setback to the development of democracy in Thailand and in other Asian nations as well. Mr. Peake suggested that the United States consider the use of its latent veto over the situation through its ability to hold up aid programs. (792.02/12-551)

democratic way and apparently prefers a more authoritarian form of government.

It is expected that very shortly the Thai Government will take a stronger and public stand against Communism and will enact anti-Communist legislation while reaffirming its intention to fight with the free world against the Communists.

792.00/12-1151

The Chargé in Thailand (Turner) to the Secretary of State

CONFIDENTIAL

BANGKOK, December 11, 1951.

No. 391

Ref: Deptel 1205, December 3, 1951; Embtel 1274, December 7, 1951 ¹

Subject: Representations to the Prime Minister

The following is the message which I delivered to the Prime Minister on the evening of December 6, 1951 in response to the Department's instruction above mentioned: ²

"After the incident of June 29, 1951 and now again following the recent political changes in Thailand, the United States Government has received many inquiries from banking institutions including the World Bank of Reconstruction and Development and the Chase Bank, from private industry, and from United States agencies engaged in military and economic aid in Thailand. These inquiries refer to the desirability of continuing various ventures and programs conducted or planned in Thailand, and seek to ascertain whether stability of the Government and the internal political situation justify the continuation of such programs and ventures in Thailand.

"It is unfortunate from the point of view of the United States Government that such questions should be raised at this time, particularly in view of the current world issues with the Communist powers.

"Internal political crises in Thailand, brought about by military interference in political affairs in Thailand, have twice within the past five months created situations which give an impression of instability in the Government and political immaturity on the part of certain military men, and cause grave concern to all friends of Thailand."

As mentioned in my telegram 1274 of December 7, 1951, in order to prevent misunderstanding of this message, I left with the Prime Minister a copy written on plain paper with no indication of origin. This was done because the Prime Minister has a sketchy command of English and often fails to comprehend what is said to him verbally. There is reason to believe that this message has been circulated among gov-

¹ Neither printed.

² The telegram under reference here is 1205 to Bangkok, December 3, not printed (792.00/12-351).

ernmental leaders. At a dinner party a few evenings later Air Marshal Fuen Ronapakat-Ritthakani, who has been newly appointed Minister of Communications, approached a member of my staff and after mentioning this statement in terms of concern, proceeded to deliver a homily on the necessity for the change of Government in order to combat subversive Communistic elements. What the effect of this statement will be is, of course, impossible to judge. However, I have no doubt that it will be carefully considered.

WILLIAM T. TURNER

792.00/12-1651 : Telegram

The Secretary of State to the Embassy in Thailand

CONFIDENTIAL

WASHINGTON, December 18, 1951—6:05 p. m.

1284. Re instrs requested urtel 1329 Dec 16¹ see Dept's 1242 Dec 10² to effect Emb shld merely ack new situation without making reply an act of recognition in view fact US-Thai relations were not broken while King Phumiphon continued Chief of State.

ACHESON

¹ Not printed; in telegram 1329, December 16, the Embassy in Bangkok reported that the British and most other foreign missions in Thailand were on the verge of resuming formal relations with the new Thai Government by exchanging notes to that effect. Chargé Turner wished to know what position the Embassy should adopt. (792.00/12-1651)

² Not printed.

460.929/12-1951

The Department of State to the Embassy of Thailand

SECRET

AIDE-MÉMOIRE

On October 26, 1951, the Mutual Defense Assistance Control Act of 1951 was enacted.¹ This Act establishes it as the policy of the United States to terminate all military, economic, or financial assistance to any nation that knowingly permits shipment of certain stated categories of strategic commodities to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination. Effective the same date, the Act repealed Section 1302(a) of the Third Supplemental Appropriations Act, 1951, (the so-called Kem Amendment),² and Section 117(d) of the Foreign Assistance Act of 1948, as amended.

¹ Public Law 213; the text is printed in 65 Stat. 644.

² Documentation on the Kem Amendment is scheduled for publication in volume I.

In accordance with the provisions of Title I of the Act, the Administrator³ under the Act determined on November 25 the list of items, known as Category A of Title I, which are to be considered "arms, ammunition, and implements of war and atomic energy materials" for the purposes of the Act. A copy of the list of Category A items, which has today been made available to you on a confidential basis, will be released publicly in the near future.⁴ With respect to the items included on this list, the Act makes termination of all military, economic, or financial assistance mandatory if a country after January 24, 1952 knowingly permits shipment of any of these items to the Union of Soviet Socialist Republics or countries under its domination.

In addition to the above-named items, the Administrator determined on November 25 a further list of items, known as Category B, which are for the purposes of Title I of the Act "petroleum, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition, and implements of war". A copy of this list of Category B items has been made available to you in a detailed secret version and in a generalized confidential version.⁵ Consideration is being given to the question of whether or not it will be necessary later to publish either or both of these versions. The Act requires the Administrator to recommend to the President termination of assistance to any country which after January 24, 1952, knowingly permits the shipment to a Soviet bloc country of any item included on this list. Under the Act the President may direct the continuance of assistance when unusual circumstances indicate that cessation of aid would clearly be detrimental to the security of the United States. Such exceptions by the President must be reported immediately to the appropriate committees of the Congress together with the reasons why such action is necessary.

With regard to the aforementioned lists A and B, the Government of the United States notes the Government of Thailand has been certifying monthly that since June 18, 1951, it has not exported or knowingly permitted the exportation of, to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China, and Communist North Korea), arms, armaments, military materiel, or articles or commodities which were set forth in the list certified by the Secretary of Defense pursuant to Section 1302(a) of the Third Supplemental Appropriations Act of 1951 the shipment of which to the Soviet bloc is embargoed by the United States in the interest of national security. The certifications which this Government has received from the Government of Thailand since the passage of

³ W. Averell Harriman.

⁴ See *Mutual Defense Assistance Control Act of 1951, Public Law 213, 82d Congress, First Report to Congress*, by the Administrator, October 15, 1952, p. 37.

⁵ See *ibid.*, p. 43.

the Mutual Defense Assistance Control Act of 1951, but which are no longer required by that Act, indicate that the Government of Thailand is maintaining extensive controls over the export to the Soviet bloc of strategic goods, including the items appearing on lists A and B. The Government of the United States would appreciate being informed prior to January 24, 1952, and preferably as soon as possible after January 1, 1952, whether the Government of Thailand will continue to embargo the export and reexport of these items.⁶

Title II of the Mutual Defense Assistance Control Act requires the United States to negotiate arrangements by which countries receiving assistance undertake a program of controlling exports to Soviet bloc destinations of other items which, in the judgment of the Administrator, should be controlled in the interest of security. The Administrator has designated certain items under Title II which this Government believes it is particularly important to control. A list of these items has been made available to you on a secret basis. In accordance with the provisions of Title II of the Act, the Government of the United States at a future date will wish to discuss with your Government arrangements for controlling exports to the Soviet bloc of these items and of other items falling under Title II.

A list of the countries and territories which are deemed for purposes of this Act to comprise "the Union of Soviet Socialist Republics and all countries under its domination" is appended hereto.⁷

The following paragraphs are excerpted from a confidential letter which has been sent by the Administrator to certain Congressional committees:

"For the sake of present and future clarity at home and abroad, I have divided my list determination under Title I of the Act into two categories. Category A specifies 21 item listings which I have determined are, for the purposes of this Act, arms, ammunition, and implements of war and atomic energy materials to be embargoed to effectuate the purposes of the Act. The statute provides that military, economic, and financial assistance to any nation shall, upon my recommendation, be terminated forthwith if such nation, after 60 days from the date of my determination under section 103(a) of the Act, knowingly permits the shipment of these items to any nation or combination

⁶ On June 11, officials of the Department informed Prince Wan Waithayakon, the Thai Ambassador, of the provisions of Section 1302(a) of the Third Supplemental Appropriations Act of 1951, which was the so-called Kem Amendment. The Prince stated that he had already informed his government of the amendment's contents and "added that he believed there would be no difficulty on the part of his government in subscribing to the objectives of the Kem Amendment in principle." (460.929/6-1151)

⁷ The countries listed were: Albania, Bulgaria, People's Republic of China (including Manchuria, Inner Mongolia, Sinkiang, and Tibet), Czechoslovakia, Estonia, Soviet Zone of Germany and the Soviet Sector of Berlin, Hungary, Latvia, Lithuania, North Korea, Outer Mongolia, Poland (and Danzig), Romania, and the Union of Soviet Socialist Republics (including the Kurile Islands, South Sakhalin Island, and Tannu Tuva).

of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

“Category B contains 264 item listings, including petroleum items, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition and implements of war which should be embargoed to effectuate the purposes of this Act. The statute provides that United States military, economic, or financial assistance shall be terminated to any country knowingly exporting these items to the Soviet bloc unless the President, after receiving the advice of the Administrator, shall direct the continuance of such assistance when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States. The statute requires that the President, in making any exceptions, shall take into account the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country’s controls over the export to the Soviet bloc of items of strategic importance.

“Section 202 of Title II of the Act provides that the United States shall negotiate with any country receiving military, economic, or financial assistance arrangements for the recipient country to undertake a program for controlling exports of items not subject to embargo under Title I, but which, in my judgment, should be controlled. Section 203 provides that all United States military, economic, or financial assistance shall be terminated to a recipient country when the President determines that such country is not effectively cooperating with the United States pursuant to Title II or is failing to furnish information sufficient for the President to determine that the recipient country is effectively cooperating with the United States. Determination C-I, made pursuant to Title II, initially includes 28 item listings which, in my judgment, particularly require the immediate application of stringent export control measures.

“As required by the statute, these lists will be adjusted by making further determinations from time to time on the basis of investigation and consultation. As experience is gained in the operation of the Act, it will undoubtedly be necessary, not only to include new items and to delete certain items from these initial lists, but particularly to refine definitions of items in order to exert the desired degree of control over the most strategic parts of an item listing.

“With respect to Determinations A-I and B-I, it is my purpose to interpret strictly the embargo provisions of the Act. Recognizing the realities of the current international trade situation, I fully anticipate, in regard to Category B, that it will be necessary to recommend to the President some exceptions, as provided by the Act, from the penalties established by Title I in order to protect the security interest of the United States. I believe, however, that the number and scope of such recommendations must be strictly limited. I intend recommending such exceptions only after all other reasonable means for limiting shipments have been exhausted and it is evident that the cessation of aid would clearly be detrimental to the security of the United States.

“With respect to the items listed under Determination C-I, the United States, Canada, and most of the Western European nations

have, as you probably know, through an informal committee, already undertaken to control exports to the Soviet bloc of a list of items many times longer than the initial C-I list. However, in order to effectuate the purposes of this Act, it is my judgment that it is best initially to single out the most important items for concentrated attention. For these selected items, we will negotiate for the maximum degree of control possible and give careful consideration to additional types of security measures. With respect to other items, I will be giving continuous consideration as to how best to achieve effective controls, whether by additions to the C-I list or otherwise."

WASHINGTON, December 19, 1951.

792.5/12-2851

Memorandum of Conversation, by the Chargé in Thailand (Turner)

[BANGKOK,] December 28, 1951.

Participants: The Prime Minister of Thailand;

Mr. W. T. Turner, Chargé d'Affaires of Embassy

Subject: Reimbursement by Thai Government of Logistic Support for Troops in Korea

I told the Prime Minister that I wished to place before him, by instruction of my Government, a matter which had previously been discussed with the authorities of the Foreign Ministry and on which there seemed to be little progress being made, namely payment by the Thai Government for equipment, services and supplies furnished by the U.S. Government to the T.E.F. in Korea. I said that the matter had been under discussion since October 12, 1950, when the Foreign Minister had agreed in his note of that date that the Thai Government in principle would undertake reimbursement of these costs, but that since then there had been no substantial action taken towards reimbursement and that our authorities in Washington were concerned because of the lack of such action.

I then outlined to the Prime Minister the successive steps taken in this matter since the receipt of the above-mentioned note of October 12, as follows:

Under date of February 3, 1951, the Embassy addressed a note to the Foreign Office specifying costs of material and logistic support,¹ and enclosing draft agreements thereto. Under date of April 12, 1951, the Foreign Ministry addressed a note to the Embassy inquiring whether these costs could be furnished by the U.S. Government under M.D.A.P. Under date of September 22, 1951, the Embassy replied to the Foreign Ministry that the U.S. Government could not accept the

¹ According to despatch 711 from Bangkok, April 17, the sum of \$643,000 represented the cost of initial equipment furnished to the Thai troops and \$526,000 was the amount for monthly logistic support (795B.5621/4-1751).

proposal that these costs be charged against M.D.A.P., but in order to lighten the financial burden on the Thai Government, wished to propose that payments of these costs be made in goods, such as rice.²

I stated that since sending the latter note we had been waiting for some response from the Thai Government, and that I had discussed the matter with the Undersecretary of State for Foreign Affairs on November 1 urging that some early action be taken. I said that we were particularly disappointed to note that there was no provision in the Thai budget now under discussion in Parliament for funds for this purpose.

The Prime Minister stated that he thought that his Government was awaiting a definitive statement of the costs of logistic support. I assured him at once that these costs were set forth in detail in Mr. Stanton's note of February 3. The Prime Minister then remarked on the large sum involved in this matter, and said he was sure that all countries assisting in the U.N. effort in Korea were hoping that the U.S. Government would assume the costs of this military effort. I said that this might be true but that the U.S. Congress and American people were certainly not disposed to accept any such burden; that American people were carrying an extremely heavy load of taxation and that we felt that other countries should assume their proper share of the burden, particularly countries like Thailand which were financially sound and easily able to carry such burdens. I pointed out that in my own case income tax amounted to approximately twenty percent of my salary, and that every American individual was feeling keenly the costs of the U.N. effort and of the various foreign aid programs.

The Prime Minister stated that he would take up the matter with the Foreign Office. He gave me no assurance of any definite effort to effect reimbursement of the above-mentioned costs and was in fact quite non-committal.

WILLIAM T. TURNER

² The exchange of notes referred to is not here printed.

SOUTH ASIA

GENERAL UNITED STATES POLICIES WITH RESPECT TO SOUTH ASIA ¹

S/S Files : Lot 63 D 351 : NSC 98 Series

*Note by the Executive Secretary (Lay) to the National Security
Council*

TOP SECRET
NSC 98/1

WASHINGTON, January 22, 1951.

THE POSITION OF THE UNITED STATES WITH RESPECT TO SOUTH ASIA

References: A. NSC Action No. 421 ²
B. NSC 98
C. Memo for NSC from Executive Secretary, same subject, dated January 17, 1951

The enclosed draft statement of policy on the subject, a revision of NSC 98 prepared by the NSC Staff pursuant to NSC Action No. 421, is submitted herewith for consideration by the National Security Council at its meeting on January 24, 1951.³

It is recommended that, if the enclosed statement of policy is adopted, it be forwarded to the President for consideration with the recommendation that he approve it and direct its implementation by all appropriate executive departments and agencies of the U.S. Government under the coordination of the Secretary of State.

JAMES S. LAY, JR.

¹ For previous documentation on this subject, see *Foreign Relations*, 1950, vol. v, pp. 1362 ff.

² NSC Action No. 421, taken by the National Security Council at its 80th meeting on January 17, with the President presiding, recorded consideration of NSC 98, a draft paper of January 5 which like the later NSC 98/1 was entitled "The Position of the United States With Respect to South Asia." Discussed at the meeting were the views and comments of the Joint Chiefs of Staff with respect to NSC 98, as set forth in a memorandum of January 16 to the Secretary of Defense, which in turn had been conveyed to the NSC under cover of a memorandum of January 17 by the Executive Secretary (Lay), neither printed. NSC 98 and the views and comments of the Joint Chiefs of Staff were referred to the NSC Staff for revision in the light of the discussion at the meeting. (S/S Files, Lot 62 D 1, NSC Actions)

³ NSC 98/1 was adopted by the NSC and the Secretary of the Treasury in NSC Action No. 425, taken at the 81st NSC meeting on January 24, with the President presiding, and was approved by the President on the following day; it was to be implemented by all appropriate executive departments and agencies of the U.S. Government under the coordination of the Secretary of State (S/S Files, Lot 62 D 1, NSC Actions; Lot 66 D 95, NSC Files: *Policies of the Government of the United States of America Relating to the National Security*, 1951).

[Enclosure]

DRAFT STATEMENT OF POLICY PROPOSED BY THE NATIONAL
SECURITY COUNCIL ON SOUTH ASIA
(India, Pakistan, Afghanistan, Ceylon and Nepal)

1. The United States objective with respect to South Asia is to improve the security position of the United States. In this connection, India and Pakistan are the key nations of the area.

2. The loss of India to the Communist orbit would mean that for all practical purposes all of Asia will have been lost; this would constitute a serious threat to the security position of the United States. The loss of China, the immediate threat to Indochina and the balance of Southeast Asia, the invasion of Tibet, and the reverses in Korea have greatly increased the significance to the United States of the political strategic manpower and resource potential of the countries of South Asia and made it more important that this potential be marshalled on the side of the United States. India, especially, and Pakistan as well, possess leaders having great prestige throughout the whole of Asia; the future support of these countries diplomatically and in the United Nations is of great importance; India in particular has certain strategic materials of importance to our national defense; all these considerations emphasize the necessity for continuation of free and friendly non-Communist governments in South Asia, especially in India and Pakistan, and of improved stability in the area.

3. Accordingly, the situation in Asia is now so critical that the following inter-related objectives with regard to South Asia should be achieved for the purpose of improving the security position of the United States:

a. Development of sound enduring friendly relations between the United States and the various countries of the region.

b. Continuance in power of non-Communist governments in the countries of South Asia and the strengthening of their individual and collective ability and determination to resist communist imperialism in Asia, and their association with the United States and like-minded countries in opposition to communism.

c. Increased South Asian participation in, responsibility for, and contribution to the solution of problems arising in Asia.

d. Development of an attitude in South Asia which would assist the United States and its allies to obtain the facilities desired in time of peace or required in the event of war, and which would prevent the USSR from obtaining military support or assistance from these nations, either directly or indirectly.

e. Access by the United States and friendly countries to the resources and markets of the region and the creation of conditions which would lead the governments of South Asia to deny their resources to the Soviet bloc.

4. Accordingly, the United States, while continuing talks with the

British on the ways and means by which US-UK policies and actions with respect to South Asia can be better coordinated toward achieving mutual objectives, should :

a. Undertake in the first instance with India and Pakistan and at later stages with other South Asian countries more intimate consultation and encourage those governments to consult more frankly with us.

b. Support the adherence on the part of South Asian countries to United Nations organizations and give friendly aid to their achieving their rightful place in such organizations.

c. If a desire for a regional association of non-communist countries arises in South Asia and a basis for its success exists, be sympathetic with the efforts of the leaders and consider to what extent the United States should encourage or associate itself with the movement.

d. Expand United States information and education programs for South Asia, (giving priority to the program in India and Pakistan) in order to assist in integrating the political, the manpower and the material resources of that area with those of the non-communist world.

e. While avoiding assumption of responsibility for economic welfare and development, continue to encourage the creation of an atmosphere favorable to economic development in South Asia and to the expansion of trade along multilateral non-discriminatory lines consistent with U.S. security interests, with a view to promoting economic conditions that will contribute to political stability.

f. Provide economic assistance which will contribute to stability of the area generally, and particularly to the economic progress of India and Pakistan, but for which internal and external public and private investment may not be adequate, having in mind the political urgency of reversing the trend towards economic deterioration and of improving the western orientation of India in particular, and the strategic interest to the United States of greater facilitation on the part of South Asian governments of the transfer to the United States of materials needed for stockpiling or other purposes related to national security.

g. Provide, as far as practicable in the light of other demands of higher priority, the requirements especially of India and Pakistan and generally of the other South Asian countries for military supplies, equipment and services not available from other sources and required for internal security, legitimate needs for self-defense, or participation in the defense of the area.

h. Seek to obtain such military rights in South Asia as the U.S. Government may determine to be essential.

i. Take all possible action consistent with U.S. security interests to prevent the USSR, its European satellites and communist areas in Asia from obtaining through or from South Asian countries supplies of strategic materials and equipment currently being denied them by the United States, placing special emphasis on India.

j. Continue efforts to improve Indo-Pakistan⁴ and Afghan-Pakistan relations.⁵

⁴ For documentation, see pp. 1699 ff.

⁵ For documentation, see pp. 1929 ff.

890.00/2-1551

*Memorandum of Conversation, by Mr. John Frick Root, Second
Secretary of Embassy in the United Kingdom*

SECRET

[LONDON,] February 14, 1951.

MEMORANDUM OF INFORMAL US-UK DISCUSSIONS IN CONNECTION
WITH THE VISIT TO LONDON OF MR. DONALD D. KENNEDY, DEPUTY
DIRECTOR, OFFICE OF SOUTH ASIAN AFFAIRS ¹

Tuesday Afternoon, February 6

Topic for Discussion: Items I-IV on the Agenda. Review of the current international position of the South Asia countries; Review of United States and United Kingdom objectives with respect to South Asia; Possible United States and/or United Kingdom action; Possible United States and/or United Kingdom action with respect to peripheral South Asian problems: Afghan-Pakistan dispute, Nepal, Tibet, French and Portuguese possessions on the subcontinent and Indian minorities in Ceylon.

Participants:

Foreign Office

R. H. Scott, Assistant Under-Secretary of State for South Asian Affairs

J. D. Murray, Head, South-East Asia Department

F. S. Tomlinson, Assistant Head, Far Eastern Department

P. H. Scott, South-East Asia Department

Commonwealth Relations Office

J. J. S. Garner, Deputy Under-Secretary of State

N. Pritchard, Assistant Under-Secretary of State

G. E. Crombie, Head, Western and United Nations Department

E. G. Norris, South Asian Department

U.S.A.

Donald D. Kennedy, Department of State

Joseph Palmer 2nd } American Embassy, London

John Frick Root }

¹Mr. Kennedy met in London on February 6 through 10 with officials of the British Foreign Office, Commonwealth Relations Office, Treasury, and Ministry of Defense. The topics of discussion in addition to those covered by this memorandum included U.S. and U.K. policies with respect to economic and military assistance to South Asia; the desirability of a regional association in Asia including South Asian countries; the Kashmir dispute; the Afghan-Pakistan dispute; and the Indian request for U.S. wheat. The memoranda of these conversations were enclosures to despatch No. 3829 from London, February 15 (890.00/2-1551).

REVIEW OF THE CURRENT INTERNATIONAL POSITION OF THE SOUTH ASIA COUNTRIES

Mr. Kennedy said he believed that during Mr. McGhee's talks² in London it had been accepted that the UK and the Commonwealth should continue to have the major responsibility for seeking a solution to problems on the Indian subcontinent. It was Mr. Kennedy's belief that the UK still recognized this major responsibility. The British representatives confirmed that this was so.

Mr. Kennedy said he would also like to be clear on a further point. The US assessment of the present situation in the area was that it called for positive action now. Did the UK also feel that the time had come for action? The British representatives replied in the affirmative.

Mr. Garner then referred to the observations on India he had made during the talks with Mr. McGhee last September in which he had stated his belief that Nehru³ and the Indian Government were gradually moving toward the side of the West. He believed this process had, in general, been continuing. Nehru had taken a leading role at the Commonwealth Prime Ministers' meeting in January and it was significant that he had subscribed to the declaration⁴ at the conclusion of the conference including the references to rearmament and the individual responsibility of each country in meeting aggression. Nehru had gone out of his way to seek the assessment of the British Chiefs of Staff on the military position in Europe and Korea.

Within India, said Mr. Garner, Nehru seemed to be in a somewhat stronger position without Patel.⁵ Whether he would be more or less cautious in his policy, as Mr. Kennedy had asked, was anybody's guess. Mr. Garner said he would have thought that Nehru would feel freer in his actions.

The British representatives agreed with Mr. Kennedy that the posture of India on main issues of the hour was very much the key to the position of all countries in South Asia. They also indicated agreement when Mr. Kennedy stated his belief that India's posture was largely determined by its attitude toward four major factors: (1) anti-colonialism and anti-westernism; (2) nationalism; (3) the

² Mr. George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, had held talks with British officials in London in September 1950.

³ Jawaharlal Nehru, Indian Prime Minister and Minister for External Affairs and Commonwealth Relations.

⁴ For the text of this declaration, dated January 12, see Nicholas Mansergh, *Documents and Speeches on British Commonwealth Affairs, 1931-1952* (London, Oxford University Press, 1953), vol. II, p. 1206.

⁵ Sardar Vallabhai Patel, Indian Deputy Prime Minister, died on December 15, 1950.

problem of social and economic progress; and (4) the Sino-Russian Communist threat.

Mr. Scott said that at the Commonwealth Conference Nehru had produced the theory that the key to security in South Asia lay in weakness, that is, in disarmament rather than rearmament. Later Bajpai⁶ had told the British that "many of us" do not share these views and that he had reminded the Prime Minister there was such a thing as tempting Providence. Mr. Garner said that Nehru felt strongly that we must be most careful in our own actions to avoid provoking a war. This was his feeling toward the dangers of rearmament in Europe and Japan. Mr. Scott went on to explain that Mr. Nehru's actual position on Japan, however, was that he objected to any defense provisions in a peace treaty. He personally preferred the disarmament of Japan as the wiser policy, but made it clear that he would have no objection to Japan, as a free and equal nation, making what defense arrangements it liked; the prerequisite was that its independence be established before hand.

The Foreign Office had had conflicting reports on Nehru's talks with the French. While Ambassador Harvey⁷ in Paris had said that they were not successful; the British Embassy in New Delhi had reported that they were very satisfactory. Mr. Kennedy said that we had so far heard only from Paris, which had likewise given us the indication that the talks had been disappointing. Mr. Kennedy said that we had emphasized to the Indians both in Washington and New Delhi the degree to which the French had gone in granting independence to Indo-China. The British officials said they agreed with the US view, as expressed by Mr. Kennedy, that the French had indeed gone quite a way in this respect and about as far as could at the moment be expected. The real difficulty was that the French had failed to give adequate publicity to the measure of freedom which they had in fact advanced.

The consensus of the British officials was that India had become increasingly aware of the dangers, and indeed the direct threats, of international communism. Likewise, the other countries of the area were learning the peril of remaining to be picked off one by one. The UK felt, nevertheless, that we must exercise patience and moderation and that any attempt to force the process might land us in disaster. In connection with Mr. Kennedy's reference to anti-westernism in India, Mr. Garner cited, as an illustration of the danger of this

⁶ Sir Girja Shankar Bajpai, Secretary General, Indian Ministry of External Affairs and Commonwealth Relations.

⁷ Sir Oliver Charles Harvey, British Ambassador in France.

development, the way in which President Truman's statement on the atomic bomb ⁸ had swept through Asia like wildfire.

Mr. Scott believed that Nehru was now looking on Communist China as *communist* first of all and had an increasing appreciation of the aggressive nature of international communism. What Nehru always emphasized was that he must live with China. At the Commonwealth Conference he had cited India's 2,000 miles of frontier with China as the major factor with which India must reckon and he also put his view plainly on Burma by pointing out that no outside power could defend it. (Mr. Scott said he did not think, however, that this would be the view of the Indian army staff, which probably would consider the frontiers of Burma as the frontiers of India). Mr. Scott called attention to the fact that certain steps in Asia which we might view as favorable to our cause were sometimes viewed in India and other countries in the area as a return of undesirable Western or colonial influence and that this reaction worked against the development of the realization that Communist China was a threat to the whole of Asia. In answer to Mr. Kennedy's question as to what India would do if there were Communist aggression against Burma, either through invasion or subversion, Mr. Scott replied that if this development happened soon, he would not expect India to intervene, but that if it happened at some later time, India might definitely move to prevent it. Time was an important factor in the building of strength and a sense of realism in the non-Communist countries of Asia. The Indonesian Ambassador ⁹ touched this key in a recent remark when he said that what was required for his country was a "breathing space."

On China itself, Mr. Scott thought that Britain and America were agreed in their basic analysis of China as an expansionist power and as a menace to Asia. Where there were points of difference between us was on tactics. Mr. Kennedy asked whether the British had any practical suggestions for fostering a closer alignment of South Asian countries with the West. Mr. Scott said that in the British view, it was, above all, imperative that the Kashmir dispute and other difficulties between India and Pakistan be settled. There was, in addition, the opportunity of encouraging cooperation on the economic

⁸ Reference is to a remark by President Truman at his press conference of November 30, 1950, where in the course of discussion on the Korean crisis the President indicated that consideration of steps necessary to meet the present military situation included the use of the atomic bomb. For the complete text of the press conference, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington, Government Printing Office, 1961), pp. 724-728. For additional documentation relating to the President's statement, see *Foreign Relations, 1950*, vol. I, pp. 1 ff. and *ibid.*, volume VII.

⁹ Dr. Subandrio, Indonesian Ambassador in the United Kingdom.

level. The UK attached great importance to the Colombo Plan¹⁰ as a means of stimulating, on the economic level, the sort of voluntary cooperation which would provide the surest foundation for regional strength. The UK considered it important in whatever we did that we avoid obvious dictation or interference and that we treat the countries in the area as equals.

Mr. Garner concurred with Mr. Scott's remarks but thought it well to realize that an objective settlement of Kashmir might in itself represent a set-back to India's relations with the West. (That is, India would hardly be pleased if most of Kashmir went to Pakistan).

Mr. Kennedy asked whether the British officials thought it would be helpful at this time to make a clear and perhaps more positive statement than any hitherto on the US and UK policy toward Asia. Could we, by such a statement, help to allay Asian suspicions over such issues as colonialism, the fear that a new type of imperialism was being fostered through economic aid, developments in Indo-China and US efforts with respect to Formosa? Neither Mr. Scott nor Mr. Garner thought this was an opportune time for any such statement. They felt that the currency of statements had become depreciated and that it would not be wise to manufacture any statement; rather, let it flow in time from the course of events.

Mr. Kennedy then asked whether a statement on our attitude towards agrarian reform had any place now. We realize, he said, that the Communists had a strong psychological weapon in the way they dealt with this issue and also that our aid to the area, without social and economic reform, might bring little benefit to those who really needed it. Until now we have, on the whole, remained silent about agrarian reform. Mr. Scott said that there would appear to be few subjects more important for us to consider. Mr. Murray suggested that the Colombo Plan might lead to some improvement in this respect. He noted, however, the difficulties in the way of reform. On the one hand, local customs were often a great hindrance; on the other, if we brought too much pressure to bear we ran the risk of being criticized for interference in internal matters. Mr. Olver also pointed out an additional problem in the case of countries where state and local governments might to a considerable extent depend for support on precisely those interests which would be hurt most by reform.

The remaining conversation about how we could deal with agrarian reform was largely inconclusive, but all agreed that it was of vital interest. Mr. Kennedy said that he had raised his question in the con-

¹⁰ The Colombo Plan was a report published on November 28, 1950, by the British Commonwealth Consultative Committee on South and Southeast Asia calling for the economic development of the area. At a meeting of the Consultative Committee held in Colombo on February 12-20, the United States was represented by Mr. Kennedy. Documentation on U.S. cooperation with the Colombo Plan is in Department of State file 890.00.

text of his concern about what more we might be doing in the field of psychological warfare to meet the Communist threat.

Turning to Pakistan, the British officials pointed out that this country stood ready to cooperate and that it was particularly interested in the Middle East, whose defense it looked on as a matter of acute concern.¹¹ At the time of the Commonwealth Conference, Liaquat¹² had taken part in the talks on Middle East defense and while, to be sure, he had mostly listened and made no commitments, it was clear he was very much absorbed in the matter. (Mr. Garner said, however, in reply to Mr. Palmer's question, that Pakistan would not participate in the talks among some of the Commonwealth countries in March on Middle East defense). The main barrier to gaining Pakistan's cooperation was Kashmir. Until this question was out of the way, little more could be done to bring Pakistan into the Western alliance but, given a Kashmir settlement, Mr. Scott and Mr. Garner believed there was a real chance of obtaining a defense agreement with Pakistan. (This, of course, would then raise difficulties over the supply of arms Pakistan would undoubtedly want). They believed that the Commonwealth talks had had a beneficial effect on Pakistan's attitude and discounted the importance of the incidents surrounding the delay in Liaquat's departure from Karachi which, they said, largely revolved around the mechanics of consulting the other Commonwealth Prime Ministers about Liaquat's desire to have Kashmir discussed in London.

The British officials did not think that the Afghan-Pakistan dispute by itself would be a serious obstacle to Pakistan's participation in Middle East defense; without Indian support they believed the Afghan case would largely fall apart.

Mr. Garner next commented on the UK's defense discussions with Ceylon. Basic agreement with Ceylon has been reached and only points of detail remain. The position of the Ceylon Government is that it is glad and even anxious for the UK to retain bases and the Ceylonese have already publicly stated that they would be on the Western side in the event of war. The defense agreement of 1947¹³ in itself established a firm alliance with the United Kingdom. The point now under debate is how Ceylon is to fulfill its obligation to purchase bases for United Kingdom use. At present the UK is occupying bases in Ceylon through leases from private owners and is continuing to pay rent for these bases. The UK is now trying to persuade Ceylon to go ahead with the purchase of these bases and present them to the UK for use without charge. As could be expected, Ceylon is asking the highest

¹¹ Documentation on the possible entry of Pakistan into defense arrangements for the Middle East is scheduled for publication in volume v.

¹² Liaquat Ali Khan, Prime Minister of Pakistan.

¹³ The text of this agreement, dated November 11, 1947, is in Mansergh, *Documents*, vol. II, p. 749.

price for agreeing to this arrangement. What it wants is UK assistance in the development of Ceylonese armed forces; more specifically, it wants the UK to furnish necessary military equipment without cost. At the moment, the UK is unwilling to pay the price asked by Ceylon and therefore the issue is still open. Meanwhile, so long as no agreement can be reached, the UK still has the use of the bases but will have to go on paying rent for them.

Mr. Kennedy said that the US, at Ceylon's request, had supplied it with information on certain small naval vessels and training aircraft which might be available for purchase. We had as yet received no reply from Ceylon indicating whether it intended to make the purchases. The prices of the US equipment were high and this factor may have discouraged further interest.

ITEM II. REVIEW OF UNITED STATES AND UNITED KINGDOM OBJECTIVES
WITH RESPECT TO SOUTH ASIA

In opening the discussion under Item II on the agenda, Mr. Kennedy outlined the general US objectives in South Asia. These were:

1. To encourage strong, enduring and friendly relations with the governments in the area;
2. To encourage the continuance in power of non-Communist governments;
3. To encourage among the countries of the area the development, individually and collectively, of strength capable of opposing communist expansion;
4. To encourage countries in the area to assume greater responsibility for the solution of Asian problems;
5. To encourage in the area the development of an attitude which would assist us and other friendly countries to obtain facilities we might desire and, by the same token, ensure that facilities are denied to the Soviet bloc; and
6. To encourage close economic ties which would ensure that we and other friendly countries have access to resources and markets in the area and that they are denied to the Soviet bloc.

Mr. Scott confirmed that the UN shared these general objectives. He thought, however, that the UK's approach to the problem might be somewhat different from ours. The UK centered its attention on the achievement, first of all, of an improvement in Indo-Pakistani relations. It then looked forward to the building up of cooperation on a regional basis in South and Southeast Asia and was presently hoping to stimulate this sort of cooperation on the economic level. In this connection, efforts exerted by Asian countries under the Colombo Plan and other regional economic exercises were fully as important as the results. The development of cooperation was a process requiring time and the education that would stick best with the people

in the area was self-education. We in the West might prod them a little, but we should be careful not to go too far. The UK realized that in tackling the problem of regional cooperation from the economic angle first, it was following an apparently illogical pattern. It might seem to make more sense to start with defense first, build up a stable political situation next and then concentrate last of all on economic improvements. But circumstances in South and South-East Asia made the only practical approach at the present time an effort to get some degree of harmony in the economic sphere and to hope that from it political advantages would eventually flow. The UK appreciated that time might work against us, but there seemed no alternative.

Mr. Garner thought we should make clear that the objectives Mr. Kennedy had outlined were our ultimate, long-range aims. Mr. Kennedy agreed; they could be termed the desiderata of the situation. Mr. Kennedy thought that the UK might tend to emphasize stability per se more than we, but Mr. Scott said that what the UK meant was the stability of non-Communist governments established through popular support.

III. POSSIBLE UNITED STATES AND/OR UNITED KINGDOM ACTION

Mr. Kennedy then went on to note that the status of India-Pakistan relations was becoming an increasing source of embarrassment for the US Government domestically and that it would be difficult to answer questions Congress might raise on this matter. Congress might ask why the US should spend money in an area which gave so little heed to impending destruction and doom. Officials in the Department of State themselves were increasingly concerned about what to do in the event that hostilities did break out between India and Pakistan or the Communists advanced into South-East Asia. This concern perhaps explained why the US seemed somewhat more inclined than the UK to press ahead.

Mr. Garner said that all evidence available to the UK suggested that India and Pakistan were not in fact on the verge of war and that the general situation in this respect was much better than last year at the time of the communal troubles. Relations between the armed forces lined up in Kashmir seemed to be good and it was certainly significant that they had remained in position for nearly three years without significant incident. There was now no indication of any aggressive moves. Mr. Kennedy found this assessment interesting; he said we would have been inclined to say that the situation in the subcontinent now was at a lower ebb than at any time since last March. Mr. Garner admitted that there might indeed have been some deterioration since the relieved situation following the settlement of the refugee issue;

but he repeated that the UK saw no signs suggesting that an outbreak was in any sense imminent.

In response to Mr. Kennedy's inquiry whether some advantage might be realized in lumping together the various disputes between India and Pakistan and treating them as a single problem, Mr. Garner said he felt this would only complicate the problem. The UK had tended to concentrate on one problem at a time and believed this was still the most feasible approach. Our greatest handicap, of course, was that the will to reach a settlement was not there. Mr. Scott agreed and speculated on the various solutions which might suggest themselves. Theoretically, a little bloodshed might throw such a fight into the two governments that they would quickly come to terms, but this resort was so fraught with danger that we had no choice but to rule it out. Another possibility was arbitration, but here it was necessary to offer some inducement to the parties to submit to arbitration and there was little we could offer India, which already has pretty much what it wants.

Mr. Scott said that Nehru appeared to be shaken at the time of the Commonwealth Conference when Mr. Bevin¹⁴ took the opportunity to describe to him the danger of a pincer movement from Communist Russia on the West and from Communist China on the East aimed directly at India. Mr. Garner added that the paradox of Nehru, however, was that while he appeared to appreciate the significance of the Communist threat in Asia, it seemed to have little effect in the way of producing in him a sense of realism on Kashmir. (Mr. Scott remarked to Mr. Kennedy that Mr. Bevin's personal notes showed that Nehru appeared "flummoxed" when Mr. Bevin pointed out to him the inconsistency of his stand on aggression in Korea and in Kashmir). Mr. Kennedy affirmed that the US wished to pursue a settlement of Kashmir as rapidly and effectually as possible and Mr. Garner said this was certainly also the UK position.

IV. POSSIBLE UNITED STATES AND/OR UNITED KINGDOM ACTION WITH RESPECT TO PERIPHERAL SOUTH ASIAN PROBLEMS: AFGHAN-PAKISTAN DISPUTE, NEPAL, TIBET, FRENCH AND PORTUGUESE POSSESSIONS ON THE SUBCONTINENT AND INDIAN MINORITIES IN CEYLON

Mr. Kennedy then explained the latest developments in connection with our proposal for talks between Afghanistan and Pakistan.¹⁵ Afghanistan had accepted, but we were still awaiting a definite reply

¹⁴ Ernest Bevin, British Secretary of State for Foreign Affairs.

¹⁵ For documentation concerning the proposals made by the United States to the Governments of Afghanistan and Pakistan on November 6, 1950, see *Foreign Relations*, 1950, vol. v, pp. 1446 ff.

from Karachi. The Pakistanis wanted us to give them an assurance in advance that we accepted the Durand line as the valid international frontier of Pakistan. The Pakistanis had said that they would be satisfied with a private assurance, but we had made perfectly clear that we could not state our position in advance as this would vitiate the whole basis on which we were suggesting talks without prior conditions and for which we were offering to lend our good offices. We thought our position with respect to the Durand line implicit in our recognition of Pakistan at the time of partition, but it was impossible for us to make this explicit now. We had also told the Pakistanis that if the talks failed we would then consider whether we could make some statement making specific our stand on the Durand Line. Mr. Garner said that the Pakistanis had also raised with the UK the question of the US position on the Durand Line and the UK had undertaken to inquire of the Department of State about this issue. A reply from Washington was now awaited. The British officials suggested that, in light of what Mr. Kennedy had just explained about our position, perhaps it would be helpful for the UK to send a message to Karachi which, without in any way committing the US, would reassure the Pakistanis that our position on the Durand Line was in fact favorable and remove Pakistani suspicions of the motives behind the US proposal for talks which, to the UK officials, seemed to be the only obstacle delaying Pakistani acceptance. The UK agreed to draft a message of this nature and to show it to Mr. Kennedy.

Nepal

Mr. Kennedy said we had in mind sending a small diplomatic mission to Katmandu consisting perhaps only of a Chargé and possibly one other official. For the present at least, our Ambassador in New Delhi ¹⁶ would continue to be accredited also to the Nepal Government. Mr. Scott said that UK experience had been that it was usually unsatisfactory to have one envoy accredited to two countries. He thought it might at least be helpful in this case for our Chargé in Katmandu to be able to explain to the Nepal Government that he was free to report directly to the State Department.

Both the UK and US representatives agreed that our exchange of views at the time of the recent Nepal crisis had been very useful. The UK officials felt that it was a little too early to be overly optimistic about the situation in Nepal, but Mr. Garner pointed out that the problem would diminish as, inevitably, Nepal was brought more and more within the Indian sphere.

¹⁶ Loy W. Henderson.

Tibet

On Tibet, Mr. Kennedy said that the US still had in mind the Tibetan appeal to the UN against Chinese aggression. We would probably go along with any major support in the UN for consideration of this appeal, but we did not intend to take any initiative ourselves in the matter. The UK officials said that the British position was substantially the same and that the UK believed the issue was mainly one for determination by India, as the UK had in fact already made clear to the Indian Government.

While it was generally recognized by the group that there would be little in the way of practical result from UN consideration of the appeal, Mr. Kennedy pointed out that we were concerned about the moral aspect of overlooking aggression anywhere in the world. Mr. Scott agreed that this was a valid concern and he thought it might also be useful to point out to India the moral issues involved.

French and Portuguese Possessions

Mr. Kennedy said that the US preferred to have as little to do as possible with the problem of French and Portuguese possessions in India. The UK thought that India was probably in no great hurry at the moment to press the holding of referendums. India was probably somewhat fearful of an adverse result. Among other factors which might work against a vote favoring India, the local inhabitants of the French possessions were now enjoying profitable trade in smuggling into India. The UK believed that Nehru was convinced of the sincerity of top level French officials in their willingness to have the future of the possessions determined through referendum. The sincerity of local French officials might be somewhat more suspect.

A settlement over the Portuguese possessions was still farther away. It was clear that Portugal would oppose a referendum since it considered its Indian possessions part of the Portuguese Crown territories. Mr. Garner said that, however it was explained, the fact seemed to be that the heat had for the moment gone out of this whole problem of the French and Portuguese possessions.

India-Ceylon Relations

The UK said that, generally speaking, there was no serious current problem over Indians in Ceylon. This issue was, of course, potentially difficult and Ceylon always had in the back of its mind the fear of some positive Indian action of one sort or another. In reply to Mr. Kennedy's question, the British officials saw no attempt in Ceylon to freeze out the Indian inhabitants from Ceylonese citizenship; to the contrary, the Ceylonese had made it possible for Indians to acquire citizenship after a reasonable period of residence.

120.4346E/3-2051

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State

SECRET

[WASHINGTON,] March 20, 1951.

Subject: South Asian Regional Conference, Ceylon

The South Asian Regional Conference of United States Diplomatic and Consular Officers, which was held in Nuwara Eliya, Ceylon from February 26 to March 2, 1951 under the chairmanship of Assistant Secretary McGhee, was attended by officials of our missions and consular establishments in India, Pakistan, Afghanistan, and Ceylon. Representatives from Foreign Service posts in Iran, Burma, Indo-China, Thailand, the Philippines, and the United Kingdom were also present, as well as representatives from the Departments of Commerce, Agriculture, and Defense, CIA and ECA.

The meeting concerned itself with the problems confronting the United States in its political, military, economic, cultural, and labor relations with the countries of South Asia. Among its most significant conclusions were (1) recognition of the importance of technical assistance and economic grant aid as means of implementing United States policy and combatting anti-Westernism in the conference area; and (2) recognition of the potential military importance of Pakistan with respect to the defense of South Asia and the Middle East.

The agreed conclusions and recommendations of the conference are attached herewith for your information (Tab A).¹

Mr. McGhee will summarize the results of the conference at the Under Secretary's meeting after his return.

[Annex]

SOUTH ASIAN REGIONAL CONFERENCE OF UNITED STATES DIPLOMATIC
AND CONSULAR OFFICERS
NUWARA ELIYA, CEYLON
FEBRUARY 26-MARCH 2, 1951

AGREED CONCLUSIONS AND RECOMMENDATIONS

PARTICIPANTS

From the Department of State:

Hon. George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, Chairman.

¹ Annex below. A more detailed record of the proceedings of the Nuwara Eliya Conference, including summaries of discussion and the texts of working papers prepared in advance by officers in Washington and in the field, will be found in Department of State file 120.4346E.

Donald D. Kennedy, Deputy Director, Office of South Asian Affairs.
Philip L. Kelsner, Officer in Charge, Economic Affairs, Office of South Asian Affairs.

William J. Handley, Labor Advisor, Bureau of Near Eastern, South Asian and African Affairs.

S. Shepard Jones, Officer in Charge, Public Affairs, Bureau of Near Eastern, South Asian and African Affairs.

From Foreign Service Establishments:

Hon. Loy W. Henderson, American Ambassador, New Delhi.

Clifford C. Taylor, Counselor

Henry L. Deimel, Counselor

Fraser Wilkins, First Secretary

Henry Sokolov, Attaché

Clare H. Timberlake, Public Affairs Officer

Hon. Joseph C. Satterthwaite, American Ambassador, Colombo.

Myron L. Black, Economic Officer

Theodore L. Eliot Jr., Administrative Officer

Ellis V. Glynn, Administrative Assistant

Argus Tresider, Public Affairs Officer

Hon. Avra Warren, American Ambassador, Karachi.

Henry W. Spielman, Second Secretary

Hugh Crumpler, Acting Information Officer

Hon. George R. Merrell, Ambassador Designate, Kabul.

Fred W. Jandrey, First Secretary

Joseph Leeming, Public Affairs Officer

Prescott Childs, Consul General, Bombay.

J. G. Evans, Economic Officer

G. Edward Clark, Public Affairs Officer

L. A. Squires, Consul

Evan M. Wilson, Consul General, Calcutta.

Wilson E. Sweeney, Consul

George Mann, Public Affairs Officer

Robert Rossow, Jr., Vice Consul, Madras.

Robert A. Christopher, Vice Consul

Stanley R. Chartrand, Public Affairs Officer

Austin R. Preston, Consul General, Lahore.

Charles D. Withers, Consul, Dacca.

Arthur Richards, Counselor, American Embassy, Tehran.

Joseph Palmer, First Secretary, American Embassy, London.

Edwin W. Martin, Second Secretary, American Embassy, Rangoon.

Norman B. Hannah, Third Secretary, American Embassy, Bangkok.

Edmund A. Gullion, Counselor, American Embassy, Saigon.

Vinton Chapin, Counselor, American Embassy, Manila.

From other Departments and Agencies:

Captain Ernest M. Eller, USN, Commander, Middle East Forces.
Stanley Andrews, Director, Office of Foreign Agricultural Relations, Department of Agriculture.

Carleton Wood, Director, Far East Division, Office of International Trade, Department of Commerce.

Waldo H. Dubberstein, Intelligence Specialist, Central Intelligence Agency.

Shannon McCune, Deputy Director, Far East Program, ECA.

I. UNITED STATES STRATEGIC INTERESTS IN SOUTH ASIA

A. *Conclusions*

1. The most effective military defense of South Asia would require strong flanks. Turkey, Iran and Pakistan are of primary importance on the west and Indochina on the east.

2. Pakistan could provide important ground forces now, for use in South Asia or on the western flank. It would, therefore, be useful to the United States and the United Kingdom to bring about an early build-up of Pakistani ground forces assisted by the provision of military equipment to Pakistan.

3. India also could provide important ground forces. However, unless its foreign policy changes, India will not give the free world military assistance in war. In the event of war, initially India will probably attempt to maintain a posture of neutrality. If its policy should change prior to war, it would be useful to provide military aid to India on terms similar to those reached with Pakistan. Indeed, offer of such aid to India, and acceptance of similar aid by Pakistan, might spark a change in Indian policy and provide a stimulus which in the long term would bring great benefits to the free world from India's military potential, raw materials, industrial output, manpower, and communications facilities.

4. The potentialities of Pakistan and India as sources of ground troops could be realized only after an easing of Indo-Pakistan tension through a settlement of the Kashmir issue or by other means, or through assurances adequate to both countries against attack by the other.

5. India might be utilized to produce military supplies for the West during the cold war. Initiation on our part of action to bring this about might be one of the best means of securing India's ultimate alignment with the West.

6. Ceylon and Pakistan contain a number of bases, particularly air and naval bases, which could make an important contribution to the military operations of the free world from the outset of war.

7. Raw materials and products from India and other South Asian countries may be severely restricted or eventually cut off during the course of war.

8. Although Afghanistan is weak militarily, it occupies a position of strategic importance; in the event of war, it would be to our advantage to have Afghanistan neutral initially but determined to resist Soviet invasion.

9. In addition to whatever military grant aid may be furnished, the Conference endorses the existing policy of providing non-grant military assistance to South Asian countries under Section 408E of the Mutual Defense Assistance Act.²

10. If the United States Government considers that its policies in Indochina and the Far East in general promote our national security, we should not be swayed from carrying out these policies by criticism on the part of the South Asian countries.

B. Recommendations

1. We should take every feasible military and political step to build up the strength of the western and eastern flanks of the South Asian area. For the short term, this can best be effected by increasing military strength in Pakistan, Iran and Turkey on the west, and in Indochina on the east.

2. The United States military authorities should consider on an urgent basis the desirability of the United States entering into an early understanding with Pakistan, which would provide for equipping and building up Pakistan's military forces and insure the availability of Pakistani ground forces on the western flank at the outset of war.

3. A similar understanding should be offered India if the latter is willing to accept the same commitments with regard to the utilization of its forces on the western flank or elsewhere.

4. If a Middle Eastern* pact should be developed which includes Iran, Pakistan should be offered membership. Such action, however, should not delay the understanding with Pakistan proposed in recommendation number 2 above.

5. Consultation should be undertaken with the United Kingdom with respect to recommendations 2, 3, and 4 before entering into consultations with Pakistan or India.

6. For both political and military reasons, we should promptly initiate, if feasible, steps to develop India and Pakistan as sources of military supplies.

7. The United Kingdom should be urged to bring the air and naval bases and communications facilities in Ceylon to a higher state of readiness for war operations, and to accelerate development of Ceylon's military forces.

8. We should seek to obtain increased amounts of raw materials from South Asia in light of the fact that South Asian sources of supply may be cut off in time of war.

² Public Law 621, approved July 26, 1950, An Act to Amend the Mutual Defense Assistance Act of 1949, 64 Stat. 373.

*The term "Middle East" as employed herein refers to the area comprising Greece, Turkey, Iran, the Arab states, and Israel. [Footnote in the source text.]

9. Should Afghanistan request military aid, we should consider offering assistance similar to that given to other South Asian countries, limiting any aid to those items required for internal security.

10. We should consider India as a worthwhile long-term risk from a military standpoint, and endeavor through non-pressure methods to insure its friendship and ultimate support.

II. APPRAISAL OF THE FOREIGN POLICIES OF THE SOUTH ASIAN COUNTRIES

A. *Conclusions*

1. The foreign policies of the South Asian countries are concentrated upon the problems arising from regional tensions to the exclusion of an active realization of threatening world catastrophe.

2. The foreign policy of India dominates the area. An important aspect of that policy is India's diminishing interest in supporting the maintenance of peace by collective action, despite the fact that India is presently incapable of defending itself against determined communist aggression. India shuts its eyes to the imminence of communist danger.

3. The position of Afghanistan as a buffer state against direct Soviet aggression from the north can be strengthened appreciably by removal of the Pushtunistan issue.

4. Pakistan is willing to make a significant contribution to the defense of the Middle East provided its fear of Indian attack can be removed.

B. *Recommendations*

1. We should make stronger efforts to minimize the importance of regional differences in South Asia by stressing the national and international threat of Soviet imperialism.

2. In view of India's foreign policy, which seeks to build a neutral third force both by attacking the West, in which it partially follows the Cominform line, and by placating the Soviet Union and Communist China, the United States should maintain a policy of patience built on firmness in its relations with the Government of India. However, whenever Indian Government policy has the effect of undermining maintenance of peace through collective security, the United States should challenge it vigorously, both at home and abroad through the press, radio, and other media, but always avoiding the appearance of moral or political expediency.

3. In view of India's ambitions for political hegemony, its advocacy of a doctrine of appeasement, and its tendencies toward abandoning support of the principle of collective security, the United States should not at this time encourage the formation of a South Asian

regional bloc, since such an organization might come under India's domination.

4. In view of Pakistan's conviction that it is not able to come to the defense of the Middle East in the event of communist aggression, unless Pakistan has been guaranteed against attack from India, the United States and the United Kingdom, as the two powers most immediately responsible for the defense of the Middle East, should discuss urgently the possibility of giving Pakistan assurances with respect to such an attack by India.

5. In the light of Pakistan's present orientation to the West and its active cooperation with the countries of the Middle East, the United States should encourage Pakistan's participation in problems common to the Middle East, and its orientation toward Turkey. In addition, the United States should consult more intimately with the Government of Pakistan on questions of common interest in the Middle East.

6. Consultations between the United States, and the Government of India and the Government of Pakistan should be developed further, subject to the judgment of the Chiefs of Mission, to bring about a closer cooperation between the United States and the two Governments, and a more realistic appreciation on the part of India of the danger which confronts it from communism.

7. We should suggest to Governments associated with us in the North Atlantic Pact and the Hemisphere Defense Pact that they instruct their diplomatic and consular representatives in South Asia and elsewhere, and their representatives to the United Nations, to point out on every appropriate occasion to the officials of the Governments of Middle Eastern and Asian countries the fallacious basis of the present foreign policies of India, and the dangers to Asia and to world peace inherent in those policies. These representatives should also be instructed, in their discussions with officials anywhere throughout the world, to attempt to win them over to the point of view that aggression by international communism wherever it occurs must be opposed.

8. A diplomatic office should be established in Nepal, and a Chargé should be appointed to provide the United States with first-hand information on the Nepalese situation, thereby removing our present dependence on British and Indian observers. Such an office might have unexpected usefulness in the event of war, provided India and Nepal were not participants therein.

9. Economic assistance to the countries of South Asia offers the best means presently available of achieving or strengthening their orientation toward the West, since it demonstrates that the Western powers are not imperialistic.

III. FRICTIONS AND TENSIONS IN SOUTH ASIA

Indo-Pakistan disputes

A. *Conclusions*

1. The conclusion of the trade agreement between India and Pakistan, including acceptance by India of the present value of the Pakistan rupee, should lessen materially the degree of tension between the two countries.

2. Kashmir remains the central and most acute issue between India and Pakistan.

3. The Security Council should remain seized of the Kashmir issue. The United States should not take the lead either within or without the Security Council in attempting to settle the Kashmir problem.

B. *Recommendations*

1. The United States should maintain the position that the United Kingdom continue to take the lead in pressing for a settlement of the Kashmir dispute.

2. The United States and United Kingdom jointly should press to a vote the present Kashmir resolution before the Security Council,³ even though one or both parties state they will not accept it and will not cooperate in its implementation. If, during discussion in the Security Council, it becomes evident that modification of the resolution will make it more acceptable to both parties without material loss of the resolution's strength, such modification should be accepted by the United States if it is also accepted by the United Kingdom, but the sponsors should guard against being placed in a negotiating position with the parties.

3. If the United Nations representative provided for under the resolution should report failure, and one or both of the parties refuse to accept arbitration, the United States should look to the United Kingdom for leadership as to the next step which should be taken in connection with the dispute.

The Afghanistan-Pakistan dispute

A. *Conclusions*

1. The present condition of political unrest along the Afghan-Pakistan border, and the propaganda campaign and mutual distrust between the two Governments contribute to the instability of South Asia and increase the vulnerability of that area to penetration by international communism.

³ Reference is to a draft resolution on the Kashmir question (U.N. document S/2017) submitted to the Security Council by U.K. and U.S. representatives on February 21. A modified U.K.-U.S. resolution (S/2017/Rev. 1; see text, p. 1758) was introduced on March 21 and adopted by the Security Council on March 30.

2. The dispute is not, however, of such a character as to warrant that the United States take the lead in insisting on its prompt settlement.

3. Settlement of the Pushtunistan issue will only flow from mutual agreement between the parties, and it is doubtful that the attitudes of the two Governments are such as to lead to the belief that such mutual agreement is possible at an early date.

4. If Pakistan should fail to reply favorably to the United States' proffer of good offices, the United States should not consider itself obligated to take further action in the matter for the time being, although it might find it advantageous to discuss with the United Kingdom and India further steps which might be taken to end the dispute, including the feasibility of efforts by the United Kingdom to persuade Pakistan to submit the question of the status of the Durand Line to an international tribunal.

B. Recommendations

1. The United States should press Pakistan once more for a definitive reply to its proffer of good offices made on November 6, 1950. Pakistan should be informed that the United States cannot remain indefinitely in the position of extending its good offices, and that therefore failure on Pakistan's part to make a definitive reply by April 1 will be construed by the United States as a rejection of its offer. The United States would in this circumstance immediately after April 1 make a public announcement that its offer of good offices is being withdrawn. The United States should make no further explanations or approaches on this matter.

2. The United States should not make any explicit statements, either now or later, with regard to the validity of the Durand Line, or give any secret assurances thereon. If Pakistan should fail to give an affirmative answer to the present proposals of the United States looking towards settlement of the dispute, the latter should not feel compelled to take any further steps in the matter with the parties in the near future.

3. If, after examination of the Afghan brief on the subject of the Durand Line, it should appear useful to do so, the United States should approach India with respect to its interpretation of the Afghanistan-United Kingdom treaty of 1921 and Afghanistan's obligations thereunder. If such an approach should provide a favorable opportunity, the United States should endeavor to approach Afghanistan to obtain terminations of its propagandizing for Pushtunistan and its attacks on Pakistan on that subject.

IV. TENDENCIES TOWARD ANTI-WESTERNISM

A. Conclusions

1. Virulent and widespread anti-Westernism is found in South Asia primarily in India and should be systematically attacked. However, only limited success can be achieved in combatting color and race prejudice, important elements in anti-Westernism. Envy of Western accomplishments and resources is another aspect of anti-Westernism which cannot easily be removed. In addition, lack of interest in India on the part of Western nations has offended the Indians and has thereby encouraged anti-Westernism in India.

2. American support of the activities of the Western powers in Asia, and specifically our present support of French policy in Indo-China, has been bitterly attacked by some countries in South Asia, and this support has lent substance to the charge throughout South Asia that the United States favors imperialism, colonialism, and racialism, all elements of anti-Westernism.

3. Technical assistance and grant aid programs can serve as effective means of combatting anti-Westernism.

B. Recommendations

1. Those aspects of anti-Westernism springing from color and race prejudice should be combatted by maintaining the present volume of counter-propaganda through an information and cultural approach which admits the existence of a color problem in the United States but points out clearly that we are doing something about it. It was further recommended that American official establishments abroad, particularly in South Asia, should, with the concurrence of the principal officer, have on their staffs a few additional American negroes, as recommended by the South Asian Regional Foreign Service Conference held in New Delhi in April, 1949.

2. The prevailing feelings of envy over Western accomplishments and resources common among Asian nationals should not be aggravated by tactless presentation of our more fortunate position.

3. Active steps should be taken to counter charges of a lack of interest on the part of the United States in the countries of South Asia, particularly India, by fostering in the United States an understanding of South Asian life and problems through such media as art exhibits, cultural societies, and the press.

4. Charges of United States support for imperialism and colonialism in Asia should be attacked through a carefully formulated public relations program. This program should include a systematic and well-planned stepping up of friendly discussions with influential individuals and groups in South Asia, such as labor organizations, as well as with the "grass roots". Discussions of this character should

be carried out by all members of the Foreign Service establishments, and by qualified members of the American community. Moreover, private institutions, i.e., the Rockefeller Foundation and American schools and colleges, should be encouraged to undertake educational and humanitarian activities of a nature which could usefully supplement, or, under certain political conditions, supersede those of United States official agencies.

5. A determined and better-documented effort should be made, through diplomatic and informational channels, to convince the peoples and Governments of the South Asian countries that the French have passed the "point of no return" in Indo-China; that the inhabitants thereof are achieving independence as did those of the sub-continent; but that the Indo-Chinese must unfortunately contend with communist-led aggression sustained by a neighboring communist power. In this connection, it should be made clear to the South Asian states that the United States would not be supporting Franco-Vietnamese policies in Indo-China if it thought such support meant a survival of colonialism in Asia. To this end, the Department and the United States missions in Indo-China should furnish timely material to our missions in South Asia.

6. The Western allies, particularly the United States, United Kingdom, France, and Canada, should avoid both overt and covert attempts to discredit one another locally in Asia.

7. Since technical assistance and grant aid programs constitute effective means of demonstrating that the Western powers are not imperialistic, such programs should be instituted. Care must be exercised, however, in carrying out such programs so as to avoid antagonizing the recipient countries.

8. In the preparatory work on our policies in the Far East and in Southeast Asia, and in the implementation thereof, the United States Government should carefully consider the impact of such policies on South Asia. This consideration, however, should not deter us from pursuing policies which are in our vital interest.

V. EFFECTS OF INTERNATIONAL AND INTERNAL COMMUNISM IN SOUTH ASIA ON THE ACHIEVEMENT OF UNITED STATES OBJECTIVES

A. *Conclusions*

1. Local communists in various countries of South Asia, particularly in India, represent a dangerous threat to the security of that region. Since the communists in India in particular, although relatively not numerous, are well organized in many communities, and are able to attract much non-communist support, they should therefore be considered an active threat to the security of India.

2. International communism, including communist recruits in the countries of South Asia, is meeting with considerable success in its efforts to prevent the realization of United States policies in South Asia. The influence of international communism is gradually increasing, especially in India, particularly among intellectuals and those classes or groups whose social and economic position is undergoing change or whose habits and outlook are being altered as a result of the profound political, economic, and social developments which are taking place in the country.

3. The United States is handicapped in its struggle with international communism in South Asia because the campaign of the United States is carried out for the most part through governmental agencies, the activities of which must necessarily be circumscribed. On the other hand, the campaign of international communism is carried on by nationals of the countries of South Asia, acting either individually or through organizations, and therefore the campaign is not limited in scope as is that of a government.

4. Among the allies of international communism in South Asia are the prejudices of the South Asian peoples against the Western world, based on their belief that the latter is colonialistic and imperialistic, and on their jealousies of the West, which arise from color differences and from the fact that the West is superior in wealth, power, and technology. After discussing the advantages and disadvantages of the possible issuance of a statement by the President or some other high official of the American Government setting forth the position of the United States with regard to colonialism or imperialism, the conferees concluded that such action would be unwise at the present time. However, it was concluded that we should continue, as heretofore, on every appropriate occasion at lower levels to explain the United States position with regard to colonialism and imperialism.

B. Recommendations

1. All American officials and employees in South Asia should continue to improve their knowledge of the ideological aspects of the struggle with international communism and of the aggressive tactics and intentions of particular communist governments, and should continue to make contacts with nationals of the countries in which they are stationed for the purpose of obtaining a better understanding of, and wider support for, the objectives and policies of the United States.

2. Foreign Service establishments of the United States in South Asia should continue in their efforts to achieve a better understanding among representative American nationals in South Asia of the policies of the United States, and to enlist the aid of such nationals in explain-

ing these policies and obtaining support therefor among the South Asian peoples.

3. The activities of the USIE should be broadened and strengthened in the South Asian countries. Among its specific activities which should be enlarged is the practice of sending for brief visits to the South Asian countries outstanding leaders in various walks of American life who are believed to have both an understanding of the area and the tact to influence South Asian leaders and groups, particularly in India, in favor of the policies of the United States.

4. To supplement the overt activities carried on through USIE and other sections of American Foreign Service establishments in South Asia, covert steps should be taken to assist individual nationals and groups within South Asian countries to expose the duplicity, hypocrisy, and aggressiveness of international communism, and to support United States efforts to discourage communist aggression.

5. Programs of economic aid, both through Point Four and through grant assistance, constitute the one approach most likely to succeed in convincing the Governments and people of South Asia that the United States is genuinely interested in their welfare, and thereby in bringing them closer to the West and drawing them away from communist influence.

VI. THE ATTITUDES OF SOUTH ASIAN AND PERIPHERAL COUNTRIES TOWARD NEGOTIATION OF A PEACE TREATY WITH JAPAN

A. *Conclusions*

1. *Philippines*: Emphasis was laid upon Philippine determination to recover reparations, which the Philippines estimate at 8 billion pesos (\$4 million), for losses and destruction suffered during the Japanese occupation. Mr. Dulles' efforts to dissuade the Philippines from pressing for these unrealistic claims have had only a moderating effect upon Philippine official and public determination to press for that compensation which they consider their just due. However, since the United States can count on Philippine support on important matters of international policy, and since President Quirino has expressed his private view that the reparations question can be resolved in overall economic agreements, this question is not a vital issue, and the United States can expect basic support for its policy toward Japan.

2. *Indonesia*: Indonesia appears to favor a peace treaty which would restore Japanese sovereignty. Despite the Japanese occupation, the Indonesians feel a certain community of Asian interest with Japan. Moreover, they are interested in profitable trade relations with Japan, and recently concluded a trade treaty therewith. An official Indonesian spokesman has urged close relations with Japan, stating that once a peace treaty was concluded, it might be expected that

Japan should be permitted armed forces necessary for its defense. However, while advocating a peace treaty, Indonesia appears concerned about the conditions which the United States might demand in the way of bases, occupation forces, etc., and particularly about continuance of United States military interest in Japan, in the sense of making it a bastion against Communist China, which they believe might provoke a Far Eastern conflict. They are believed to favor a discussion of all Japanese treaty issues initially by a conference of the major powers, including Communist China.

3. *Indo-China*: The Indo-Chinese desire to develop closer relations with the Japanese in order to offset French influence, and the French accordingly fear direct trade relations between Indo-China and Japan. However, both Vietnam and the French would probably support United States proposals for a Japanese peace treaty.

4. *Thailand*: Thailand would probably endorse whole-heartedly the United States position on a Japanese peace treaty.

5. *Burma*: Although Burma has thus far failed to make its views known, it would probably feel that it must participate in whatever kind of peace settlement is decided upon. For political reasons, Burma would probably also request reparations.

6. *Pakistan*: On the Japanese treaty question, Pakistan defers to India, because prior to partition, the Government of India handled this subject for what is now India and Pakistan. However, Pakistan is believed to favor the United States position on a Japanese peace treaty. At present it is enjoying profitable trade relations with Japan, and there is a Japanese trade mission now in Karachi.

7. *Ceylon*: Ceylon is believed to support the United States position on a Japanese peace treaty, but would like to participate in such a treaty. Ceylon has particularly friendly feelings towards Japan, and is anxious to purchase as much as possible from Japan.

8. *Afghanistan*: Although Afghanistan has not yet made its policy clear, its attitude will probably be influenced by its proximity to the Soviet Union and Communist China.

9. *India*: India's attitude toward the United States position with respect to Japan is neither balanced nor objective. It appears motivated primarily by India's opposition to colonialism, its antipathy for Western imperialism, its recognition of the so-called facts of Far Eastern life, and its belief in the non-aggressive character of international communism. Evidence of these motivating influences may be found in India's reply to the seven-point memorandum on tentative United States policy of November 24, 1950.⁴ First, India wishes to include Communist China among the treaty participants. Second, it

⁴ See *Foreign Relations*, 1950, vol. vi, p. 1352 and footnote 2 thereto.

desires Formosa and the Pescadores to be turned over to Communist China immediately, without awaiting a peace treaty. Third, disposition of South Sakhalin and the Kuriles was decided at Yalta, they are now occupied by the Soviet Union, and the matter should not be reopened. Fourth, India acquiesces in a United States trusteeship for the Ryukyus and the Bonins but believes the question of their return to Japan should be considered by the peace conference. Fifth, Japan should be demilitarized and its security guaranteed by the United Nations; however, India would support a small Japanese force for internal security purposes. Sixth, India agrees in general with the United States regarding United Nations membership for Japan, and on questions of trade and reparations, although it has raised some questions regarding external assets.

Prime Minister Nehru recently informed our Ambassador of his views along the following lines. There can be no general Far Eastern settlement without a solution of the Japanese problem. If the United States should undertake to restore Japan's military power, both the Soviet Union and Communist China would be convinced that Japan was being prepared as a base of operations against them. Therefore the rearming of Japan would be likely to provoke war rather than to contribute to a peaceful atmosphere, and the best solution would be for the United Nations to guarantee Japan against aggression. Although it might be advisable to permit Japan to have sufficient arms to defend itself until the United Nations had time to come to its assistance in case it should be the victim of aggression, neither Russia nor Communist China would attack Japan if the latter were protected by a United Nations guarantee, since neither country desired war. Nehru reiterated his conviction that Russia and Communist China would not risk a world war by deliberately upsetting a Far Eastern settlement calling for an unarmed, neutralized Japan.

10. Since negotiations are in process for final determination of a definitive treaty with Japan, and since they are being considered at the highest policy level, it was decided that the competence of the Conference to make conclusions or recommendations did not go beyond recording the foregoing views.

VII. UNITED NATIONS PROBLEMS

A. *Conclusions*

1. The conduct and policies of the South Asian countries in the United Nations generally reflect their respective views and estimates of world politics and of the causes of world tension. India attempts to steer an aloof course between what it conceives to be two power blocs. Pakistan and Afghanistan side more frequently with the Western group of nations than does India, but they increasingly believe that the United Nations is paralyzed by great power antagonisms.

2. While India considers the United Nations a useful platform from which to advance its views, it does not appear to regard it as an effective instrument for collective security or for settlement of disputes among major powers, nor does it appear to desire it to be such an instrument. India considers the United Nations as dominated and controlled by the United States in the interest of promoting American policies. There is little present opportunity for the United States to alter these conceptions in advance of fundamental changes in Indian foreign policy or leadership.

3. Participation of South Asian countries, especially India and Pakistan, in the various organs of the United Nations is extensive, active, and generally responsible. The contacts which South Asian leaders make with opinions and leaders of the Western world at Lake Success sometimes generate a current of opinion among them in advance of that of the countries they represent, and more favorable to our policies. Both the domestic and foreign attitudes of the South Asian countries are sometimes influenced because of their participation in the United Nations.

4. We cannot at this time expect India or Afghanistan to make any significant contribution to the United Nations effort in Korea, and they will probably make only a nominal contribution, eventually, to relief and rehabilitation.

5. Pakistan would probably contribute troops for Korea in the event of the removal of tensions centering on the Kashmir dispute.

6. Settlement of the Kashmir dispute in the United Nations without some fundamental alteration in the positions of the opposing parties is virtually impossible.

7. In view of the opposition of the Soviet bloc, there appears to be no possibility at present that Ceylon or Nepal can be admitted into the United Nations.

B. Recommendations

1. In conformity with our overall relations with India, our policy toward India in the United Nations should continue to be firm and friendly, and, in our approach to specific problems, consideration of the personal sensitivities of Prime Minister Nehru should be subordinated. We should also suggest to governments who maintain friendly association with us that they inform their diplomatic representatives at Lake Success of the fallacious basis of the present foreign policies of India, and of the dangers to South Asia and to world peace inherent in those policies.

2. Every effort should be made to guard against the division of the United Nations into opposing Asian and Western blocs. Specifically, we should be more active in opposing Nehru's efforts to create a neutral bloc among the Asian and Arab states.

3. We should lose no opportunity afforded by the United Nations organization and proceedings to demonstrate to India, and, to a lesser extent, to other South Asian countries, that :

(a) The United Nations is the keystone of our policies, and should be the keystone of their policies, in the struggle against aggression, which is their own struggle as it is that of free people everywhere;

(b) With their help, the United Nations can function more effectively as an instrument for collective security and not, as some South Asian states are inclined to consider it, as an arena for two contending power blocs.

4. Whether or not the Kashmir dispute is settled, we should keep alive the question of Pakistan sending a contingent of troops to Korea. In this connection, we should keep before the Pakistani people and Government the example of Turkey and the enhanced position in world opinion produced by its participation in the collective effort in Korea.

5. At such time as the Kashmir dispute appears susceptible of solution, whether or not as a result of direct United States or British intercession with the parties, the United States, in conjunction with and under the leadership of the United Kingdom, should promote a formula whereby the solution will be consummated through the United Nations.

6. We should continue to hold prior consultation with the South Asian countries whenever possible on matters before the United Nations.

7. While India's leadership and policies continue along the present lines, and unless we stand to gain advantages of overriding importance, we should refrain from action in the United Nations which would assist in promoting a regional organization in South Asia, which would probably come under Indian domination.

VIII. THE NEED FOR AND POSSIBILITIES OF ECONOMIC DEVELOPMENT IN

SOUTH ASIA

Economic aid

A. *Conclusions*

1. Grant aid programs, which would include integrated technical assistance and would be related to present and possible future loans, would be of great benefit in South Asia for political purposes. They would vitiate existing hostility and resentment against the United States, which is accused of lack of interest and concern with the area. They would also increase the stability of deteriorating economies which now provide fertile ground for communist pressures.

2. Aid to date has been in the form of foodgrains and technical assistance under the Point Four program. The proposed foodgrain program for India, including the generation of counterpart in sub-

stantial amounts, would be of great value in assisting economic development.

B. *Recommendations*

1. In view of the magnitude of the economic problems of South Asia, and the limitations on the availability of material and technical aid from the United States, the focus of grant aid programs should be upon internal stimulation of economic development, as a means of giving hope to the peoples of South Asia.

2. United States grant aid programs should be instituted in each South Asian country which desires grant aid; should be organized on a bilateral rather than a multilateral basis; and should vary in scope and character in accordance with the needs of each individual country. Operation of the programs must take into account the sensitivities and weaknesses of the governments of the area. In view of the latter's limitations, operations on a joint basis where possible may be most effective.

3. In the case of countries in a strong financial position, where grants are made for political reasons only, technical assistance projects should constitute a large proportion of the aid. Moreover, a country which has the ability to repay should attempt to satisfy its needs to the maximum extent possible through international loans before seeking any more grant aid than the United States regards as necessary for political purposes.

4. Aid programs should integrate economic grant aid with technical assistance to the maximum extent feasible through a single mission in each country under the general supervision of the Ambassador.

5. At the earliest appropriate time, consultations should be held with the recipient governments concerning our contemplated aid programs.

6. In the execution of aid programs, special attention should be paid to increasing the production of materials needed by the United States, and to facilitating the purchase of such materials by the United States. Assistance to the countries concerned in obtaining priorities for any equipment necessary to such production should be extended.

7. Bilateral aid programs should be coordinated with other assistance programs such as those of the United Nations and the Commonwealth, and such coordination can be most effectively carried out on a country basis. The United States should remain a member of the Consultative Committee for the Economic Development of South and Southeast Asia on the basis that this Committee confines its activities to those of a discussion and advisory group.

8. Political benefits would result from publicizing the inter-relationship of American aid programs with those from other sources.

9. Aid program budgets which are released to the public should be

consolidated to the extent possible into a general Asian program, to minimize unfavorable comparisons between countries.

Technical assistance programs

A. Conclusions

1. It is important that technical assistance programs be continued and be merged with future economic programs. This result would be achieved if the United States Government should decide to assign to a single agency responsibility for both economic aid and technical assistance.

2. It is important that any change in agency responsibility for technical assistance should not interfere with the carrying out of commitments already undertaken, and that no impetus be lost while existing Point Four programs are being adapted for integration with aid programs.

B. Recommendations

1. Technical assistance programs on a bilateral basis should be continued and merged with economic development programs when they come into existence.

2. In the event of organizational changes in Washington, existing commitments should be carried out and every effort should be made to maintain accumulated momentum. In the meantime, delays in processing technical experts under Point Four should be overcome.

3. The execution and supervision of technical assistance and economic aid programs should be carried on by a single mission in each country under the general supervision of the Ambassador.

4. In view of impending economic aid programs, the appointment of additional technical cooperation officers should be suspended, and our embassies should continue to carry out their present responsibility for screening Point Four requests. The economic sections of the embassies should be strengthened immediately.

5. The United States should continue to contribute to and support United Nations technical assistance activities.

6. The present liaison relationship with the Colombo Plan Council for Technical Cooperation should be continued.

IX. PROBLEMS OF INTERNATIONAL TRADE

A. Conclusions

1. During the emergency period, the primary aim of trade promotion activities must be to increase the production and export of materials needed for the defense efforts of the United States, including assistance in the field of marketing.

2. Continued collection of information on economic conditions in South Asia is essential not only for defense planning in the United

States, but also for private traders, who need current information on changing trade conditions.

3. A favorable attitude is evident in South Asian countries toward increasing the supply of raw materials to Japan, particularly in exchange for capital equipment needed to produce and transport such materials. In some cases Japan and the United States are competitors for scarce materials from the South Asian area.

4. While South Asian countries may seek to follow barter tactics in the allocation of their exports, it is in the interest of the United States to refuse to enter into barter deals, and instead to stress the principle that each side do its utmost to supply materials needed by the other. In the event that South Asian countries refuse to cooperate, the United States Government will be forced to regard South Asian requests less favorably.

5. South Asian Governments need considerable assistance in programming their requirements, and careful screening of their requirements statements by United States Foreign Service posts is essential. However, the present staffing at key posts in the area is inadequate to meet the additional burdens being placed upon them.

6. South Asian countries are cooperating to a certain extent with United States security export controls, but they do not cooperate fully because their foreign policies, particularly with regard to China, differ from our own. However, the trade of South Asian countries with the Soviet bloc is not considered at present to prejudice the overall national security of the United States in such manner as to warrant drastic action on our part at this time. Close attention, however, should continue to be given to this subject.

7. Except for Pakistan, the South Asian countries have generally shown a disposition to participate in the work of the international commodities groups set up to handle the allocation of scarce materials. India has shown no interest in being included in the central organization, and it may become desirable to arouse Indian interest in such participation if the central organization is expanded to include a Latin American member.

8. In planning their production programs for materials needed by the United States, it would be useful for governments in the South Asian area to be provided with target figures for their areas based upon the overall requirements of the United States. In order that such target figures may be realistic, however, it is essential that they be worked out in consultation with the Foreign Service posts concerned.

B. Recommendations

1. Consideration should be given to sending from the United States to the South Asian area experts in the collection, grading, and shipment of specific strategic commodities required by the United States.

2. Efforts should be made to encourage the production in, and export from, the South Asian area of materials needed by Japan, if consistent with the United States overall defense program.

3. The United States policy on the supply of essential materials needed by South Asian countries, and required by the United States from South Asian countries, should be on the basis that each side will meet the needs of the other to the best of its ability in the light of mutual sacrifices and the needs of all free nations; that bargaining for specific commodity exchanges be avoided; and that, if necessary, South Asian Governments be so informed.

4. United States Foreign Service staffs in the South Asian area should be increased to take care of the many additional duties resulting from the defense effort in the fields of foreign requirements, export controls, and procurement of materials.

5. Vigilance should be continued to detect transshipment or re-export of United States strategic materials, and advantage should be taken of suitable occasions to press the governments of the South Asian countries for export controls of strategic commodities more in line with our own.

6. The United States should not at present press for the inclusion of a South Asian country in the Central International Allocating Committee, but should reconsider this question if requested to do so by a South Asian country or if the Committee is expanded.

7. Import requirement targets should be established by the United States for strategic commodities from the South Asian area, and these targets should be communicated when appropriate to the governments of the area.

X. PROBLEMS OF AGRARIAN REFORM

A. *Conclusions*

1. Since at least 85 percent of the population in South Asia derives its income directly or indirectly from agriculture, political stability depends to a considerable extent upon the economic and social well-being of this group and in general upon the ownership of land by the tiller.

2. Since a large proportion of cultivators are tenants, owners of uneconomic holdings and landless laborers whose living standards are among the lowest in the world, they are as a group vulnerable to communist slogans and propaganda.

3. While a beginning has been made in land tenure reform, in the application of modern science and technology, in cooperative and regulated marketing, and in the improvement of credit facilities, these and other agricultural institutions and techniques remain, for the most part, primitive or only slightly developed.

4. Since the United States and the United Nations have established the policy of encouraging agrarian reform in underdeveloped countries as a means of improving the standard of living and thereby creating conditions for political stability, aid programs may appropriately be used in furthering this policy.

5. Since large landowners should be compensated for their lands when the latter are transferred to cultivators, it would be desirable for local governments, in such cases, to provide for the profitable investment of these funds in the economic development programs of their countries.

B. Recommendations

1. Measures taken by South Asian governments to enable tillers to become owners of the land should, where appropriate, be given sympathetic encouragement in cases where adequate compensation is guaranteed to those whose land is expropriated and where the governments can provide such compensation without endangering their own financial stability.

2. Governmental and cooperative efforts to effect consolidation of fragmented farms into more economic units should be encouraged by all appropriate means.

3. In granting economic development assistance, particular consideration should be given to the encouragement of agricultural extension through demonstration projects and their use as training centers.

4. Aid should be given to governmental efforts in improving rural credit and marketing facilities; in increasing agricultural water resources; and in soil conservation and reforestation.

5. Assistance programs should include encouragement of studies relating to agrarian reform, farm management, village industries, and other aspects of rural welfare.

6. Aid funds should not be used for direct compensation to landowners for expropriated land.

7. Our informational activities should include descriptive contrasts between the commendable type of land reform which is being undertaken with due regard to property rights, and those types which have deluded the rural people of Soviet-dominated areas.

XI. LABOR PROBLEMS, WITH REFERENCE TO UNITED STATES POLITICAL OBJECTIVES

A. Conclusions

1. The Conference concluded that labor is of major and increasing political importance in most of the countries of South Asia. The worldwide cleavage between the free world and the communist world

has its counterpart in India, Ceylon, and Pakistan, where both the World Federation of Trade Unions and the International Confederation of Free Trade Unions are represented by powerful adherents. In many of these countries, trade unions are closely tied to political parties, giving them their main if not their only mass basis of support.

2. The Conference reviewed with satisfaction the progress made by the ICFTU during the past year, and was particularly impressed by the fact that, unlike previous international trade union movements, the ICFTU had deliberately and effectively sought to gain the support of trade unions in the South Asian area, notably in the decision of the ICFTU to establish an Asian Labor College in Ceylon, and by the establishment of a regional office in Singapore. In these developments, the role of American labor both within and without the ICFTU has been of the highest importance.

3. Despite the recommendations of the Foreign Service Conference in New Delhi in 1949 that the United States Government facilitate the exchange of labor leaders and specialists, and provide technical assistance in trade union organizations and workers' education, and despite the obvious importance of labor in South Asia, the total impact of the United States Government in this field has been only a slight one. The conferees concluded that the recommendations made at New Delhi were in general still valid and should be implemented.

B. Recommendations

1. The exchange-of-persons program should be stepped up in the labor field. In execution of the program, there should be a departure from traditional procedures which will take into account the political realities of the labor movement in South Asia, the need for special handling of trade union leaders, and the special knowledge of the labor attaché.

2. There should be frequent meetings, on a country or regional basis, of Foreign Service personnel engaged in labor activities.

3. All Foreign Service personnel should be indoctrinated on the delicacy of their relations with the ICFTU and the American federations. While there should be close cooperation between our missions and these organizations, the freedom of action of the latter should be carefully preserved and any impression that they are under the tutelage of the United States government should be avoided.

4. A program should also be developed which would be directed at both native and American management, in order to develop better labor relations. In particular, the labor practices and attitudes of Western corporations are a matter of significance.

5. In addition to urging the American labor federations to assign personnel to the area on a more or less permanent basis, it is urged

that the AFL and the CIO send high-ranking officials on brief tours of perhaps one or two months, particularly to India. However, care should be taken to avoid conflict or competition with ICFTU activities in South Asia.

6. The United States labor information program should be expanded, although a typical American propaganda program would be inappropriate in the labor field because of the political and ideological tensions which exist in South Asia. The substance and development of a labor information program should be made the joint responsibility of the labor attachés, or labor reporting officers where no labor attachés exist, and the appropriate USIE officers.

7. Full consideration should be given to labor and social problems in the execution of economic and technical assistance programs.

XII. INFORMATION AND EDUCATIONAL PROGRAMS ⁵

A. *Conclusions*

1. The task of the USIE is to advance the foreign policy of the United States, giving particular attention to the psychological impact of a given policy on the government and the people of the area concerned, both in the presentation and the implementation of such policy.

2. The immediate primary objective of the program in South Asia is to orient the governments and people of the area toward the United States and the free world and away from the Soviet Union and international communism.

3. More specifically, our objectives should be :

(a) To develop confidence among the leaders and people of the area in our motives and intentions ;

(b) To demonstrate the importance and effectiveness of democratic values and methods in the achievement of the social, economic, and cultural goals desired by the people of the area ;

(c) To create a genuine understanding among the people of the area that communist imperialism and materialism constitute a serious menace to the achievement of their own aims.

4. The advantages of maintaining the information and educational program in the Department of State outweigh the advantages that may be expected from placing the program in a separate agency, in view of the difficulties of maintaining adequate departmental coordination and of the need for the United States Government to speak with one voice in foreign countries.

⁵ General documentation on this subject is scheduled for publication in volume I.

B. Recommendations

1. In the light of present world conditions, acceleration of the activities and tempo of the USIE program is of high importance to the successful conduct of United States foreign policy in South Asia.

2. While emphasis placed upon target groups varies from country to country in South Asia, in general the primary groups whom we should try to reach are the policy-makers and opinion-molders. The literate public and the masses in the cities and in the villages, although of lesser priority, should be reached to the degree feasible.

3. In developing our informational approach, the USIE should stress the mutual interests of South Asian countries and the United States in the following:

- (a) Maintenance of national freedom;
- (b) Maintenance of characteristic indigenous cultures;
- (c) Maintenance of peace, security, and freedom from external aggression;
- (d) The development of social and economic progress;
- (e) The development of democracy.

4. American economic programs such as Point Four aid and food-grain relief should be skillfully exploited by USIE to convince South Asians of the interest of the United States in the welfare of the people of this area.

5. The USIE program should be strengthened by a close coordination between USIE staffs and other American officials engaged in the implementation of foreign policy, particularly in such fields as labor, agriculture, Point Four, economic assistance, and social welfare.

6. The success of the program requires greater collaboration by USIE staffs with indigenous groups and individuals who can assist in the campaign of truth. This is particularly true in the present situation because public opinion and basic attitudes make difficult the carrying out of effective propaganda by Americans alone.

7. Greater emphasis should be given to production and adaptation of information materials in the field to insure their local appeal.

8. Effective propaganda in the South Asian area requires diverse types of products, some of which should be directed toward sophisticated individuals and others, in very simple and graphic form, should be aimed at persons of lesser understanding. Appropriate use of emotional appeals should be made.

9. USIE products should avoid ostentation, a patronizing tone, boastfulness, and undue emphasis on material prosperity which creates envy.

10. In developing the campaign of truth in South Asia, full consideration should be given by the Bombay USIE Conference to elaboration of practical programs such as:

(a) More effective utilization of local personnel to broaden contacts with indigenous groups;

(b) The increased use of local writers and artists, particularly in the production of pamphlets, posters, radio, and films, to make a better appeal to the local population;

(c) A greatly stepped-up use of mobile film units and distribution of films and other materials through other channels, including central and local governments and the military;

(d) The rapid establishment of branch information centers, especially in India and Pakistan;

(e) A rapid extension of library book circulation by mail, and the increased use of mobile libraries.

11. The USIE Conference at Bombay should explore the desirability of a regional production center in South Asia; alternative ways of handling local production and its coordination with the Department; and the relation of the South Asian needs to the Manila production center.

12. Efforts should be made by the Department to secure the rights to republish in English appropriate American books for sale or distribution in South Asia.

13. Specially tailored Voice of America radio programs in English, Hindi, Urdu, the Dravidian languages, and Bengali should be inaugurated at the earliest possible moment for South Asia, utilizing the Ceylon relay.

14. The educational exchange program should be carefully coordinated by the Public Affairs Officers with the informational program. An increase in the leader-specialist type of program can contribute greatly to short-run USIE objectives.

15. An increased flow of information to the American public concerning the peoples and culture of the South Asian countries should be stimulated.

16. The recommendations embodied in other sections of the Conference report which relate to informational and cultural problems should be related to the foregoing and implemented as suggested.

XIII. ADMINISTRATIVE PROBLEMS

[Here follows a brief series of recommendations on administrative matters.]

788.00/4-1051

*Memorandum of Conversation, by Mr. John Frick Root, Second
Secretary of Embassy in the United Kingdom*

TOP SECRET

[LONDON,] April 3, 1951.

MEMORANDUM OF INFORMAL US-UK DISCUSSIONS IN CONNECTION
WITH THE VISIT TO LONDON OF THE HONORABLE GEORGE C. MCGHEE ¹
TUESDAY AFTERNOON, APRIL 3, 1951

Topic for Discussion: South Asia

Participants:

Foreign Office

R. H. Scott, Assistant Under-Secretary of State

J. D. Murray, Head, South-East Asia Department

Commonwealth Relations Office

N. Pritchard, Assistant Under-Secretary of State

USA

George C. McGhee, Department of State

Arthur R. Ringwalt	} American Embassy, London
John Frick Root	

Pakistan Contribution to Near East Defense

In a discussion of how Pakistan's support in the defense of the Near East could be obtained, Mr. McGhee said that it had occurred to him that it might be possible for the US and UK to satisfy Pakistan's apprehensions about India by giving an assurance that we would not recognize a *fait accompli* in Kashmir brought about by the unilateral action of India. Mr. McGhee said that he believed it unlikely that India would actually invade Pakistan and that Pakistan's real fear was that India would take advantage of any international turmoil to fasten its grip on Kashmir. For this reason, Pakistan felt that it had to keep the bulk of its armed forces available as protection against such eventuality. We might be able to obtain Pakistan support in the Near East with some such assurance and we must remember that the contribution Pakistan could make was probably the only hope of holding the area. Both Mr. McGhee and Mr. Scott recognized that India would be unwilling to make any contribution to Near East defense, Mr. McGhee observing that Delhi was inclined to put the US down as imperialists in the Near East in pursuit of oil.

¹ Mr. McGhee met in London with British Government officials on April 2 and 3. The subjects of discussion other than those covered by this memorandum included Iran, Arab Refugees, Near East Defense, and "Egypt, Libya, and Neutralism in the Near East." The memoranda of these conversations were enclosures to despatch No. 4832, April 10, from London (788.00/4-1051).

Mr. Scott said he agreed entirely on the role that we should try to get Pakistan to play in the Near East. He thought any assurances to Pakistan, however, should not be directed too obviously against India. Perhaps they might be provided under some sort of blanket assurance to countries of the Near East generally. It might be wise to go to both India and Pakistan and ask them what help they might be able to provide toward the problem of Near East defense. The Indians could of course be expected to turn down any suggestion that they should participate. It might then be possible to arrange for some regional association in which Pakistan would enter and which would provide the satisfaction with respect to any threat from India which it might desire. Mr. McGhee said that it seemed clear that Pakistan was anxious to play a leading part in the Near East, doubtless in part at least in order to ensure the support of the Moslem world for Pakistan in its difficulties with India. Furthermore, he thought that public opinion in Pakistan would almost demand some sort of intervention in the event of a Russian invasion of Iran. Mr. Scott said that the suggestion for an assurance to Pakistan made by Mr. McGhee was well worth exploring in view of the vital importance of obtaining its association in Near Eastern defense.

Neutralism

Mr. McGhee said that he had given particular attention to the problem of neutralism in the Near East and South Asian countries he had visited. We were increasingly concerned about the position Nehru had been taking and were interested in learning what substance there was to the support he had obtained from the Near East and Asian countries. Mr. McGhee said that as a result of his conversations with Government leaders in the countries he had visited he was convinced that Nehru was not expressing a consensus of opinion but rather represented an extreme point of view and that among other countries there was no philosophical attachment to a neutralist policy. He thought Government leaders in most of the area were quite realistic about the struggle between communism and the free world and only held back from taking a more open stand because they were conscious of the internal weaknesses and insecurity of their countries. Mr. McGhee said that he had a talk in Cairo on this subject with Sir Esler Denning² and that Sir Esler had been convinced that the countries of South East Asia were not under Nehru's influence and were only lying low in the East-West struggle until they were able to build up their own internal strength. Sir Esler believed that Nehru would end up isolated. Mr. McGhee said that it appeared to him that Nehru was the

² Sir Maberly Esler Denning of the United Kingdom Foreign Office, appointed to special duties in the Far East with the rank of Ambassador.

only one putting out neutralism as a philosophy. He was unrealistically obstinate in refusing to recognize that we were in the midst of a power struggle, in which India was helpless without food, petroleum and the other vital supplies it could only obtain from outside its borders.

Mr. Scott and Mr. Pritchard commented on the characteristic interest of the Indians in political to the neglect of economic issues and thought that Nehru's position was an outward expression of something deep within the Hindu character. He was rationalizing the negativism and passivism which found its roots in Hindu emotion and philosophy. It was noted, moreover, that Nehru was probably misled by the reports he got from his representatives abroad, who fed his ego and encouraged him to believe that he was the only one sincerely working for peace.

*Pakistan Conspiracy*³

When asked what he thought was the explanation for the recent conspiracy in Pakistan, Mr. McGhee said that it probably lay largely in the personality of Gen. Akbar Khan, whose ego had been played upon. Mr. Scott said he had wondered whether disorders in such parts of the Moslem world as Morocco, Iran, Pakistan and Indonesia, might not have some links with international communism. Mr. McGhee felt there was no evidence that troubles in these areas resulted from some master plan. In Iran, for example, the recent crisis seemed to have sprung mainly from the internal situation. Communist or Communist sympathizers were no doubt to some extent involved in Pakistan.

Afghan-Pakistani Dispute

Mr. McGhee then described conversations he had had in Karachi in an effort to obtain Pakistan's acceptance of the US proposals for joint Afghan-Pak talks. He had assured Pakistan that we would try to prevent the Afghans from attempting to derive any advantage from the fact that discussions were to take place. He had reiterated to the Pakistanis our position on the Durand Line and the reasons why we felt we could not amplify it at this time and he believed that Liaquat saw the logic of our position. In fact there seemed to be little margin any longer for Pakistani objection to proceeding on the basis of our proposals. Liaquat seemed to be ready to call off propaganda, to exchange Ambassadors and to talk with the new Afghan Ambassador about any subject he wished save Pushtoonistan. Mr. McGhee

³ The Prime Minister of Pakistan, Liaquat Ali Khan, had on March 9 announced the discovery of a "conspiracy hatched by the enemies of Pakistan." Among those arrested as leaders of the conspiracy was Maj. Gen. Akbar Khan, Chief of the General Staff. The text of the Prime Minister's statement is printed in *Keessing's Contemporary Archives*, p. 11396.

thought it might be possible to work out some basis for agreement under which Ambassadors would be exchanged with talks to follow say some two months thereafter. Pakistan has now asked for an extension to April 15 for giving its reply to our offer and he was encouraged to believe that some arrangements on the basis of our proposals would be possible.

Colombo Plan

Mr. McGhee explained the US position on giving aid to Asian countries and the relationship of this position to the Colombo Plan. He said that we were willing to continue our membership on the Consultative Committee. The British said they found nothing in our position incompatible with the British concept of the Colombo Plan. Mr. Scott emphasized, however, the British desire to keep aid within some regional framework so that economic development in the area would be seen as a cooperative enterprise. The virtue of the Colombo scheme was that it was designed to focus attention on economic and social problems.

Kashmir

With regard to Kashmir the desirability of standing by the Security Council resolution was recognized. The British mentioned that US-UK efforts to find a representative under the terms of the resolution and said that they understood consideration was now being given to Dr. Frank Graham as a candidate for the position.

S/S Files : Lot 63 D 351 : NSC 98 Series

*Memorandum by the Deputy Under Secretary of State (Matthews)
to the Executive Secretary of the National Security Council (Lay)*

TOP SECRET

[WASHINGTON,] May 10, 1951.

Subject: First Progress Report on NSC 98/1, "The Position of the United States With Respect to South Asia"¹

NSC 98/1 was approved as Governmental policy on January 25, 1951. It is requested that this Progress Report as of April 25, 1951, be circulated to the members of the Council for their information.

Representatives of the Department of State and the Embassy in London discussed United States and United Kingdom objectives and policies with respect to South Asia with officials of the British Foreign Office and Commonwealth Relations Office on February 6-10, 1951. The United States spokesman based their presentation on NSC

¹ This progress report was noted by the National Security Council in NSC Action No. 483, taken at its 92nd meeting on May 23 (S/S Files, Lot 62D1, NSC Actions).

98/1. These talks disclosed general agreement between the two governments on broad objectives in South Asia, and led to closer coordination of policy with respect to such matters as the Kashmir dispute, the Afghan-Pakistan dispute and the supply of military materiel to the South Asian countries.

The United States Government participated as a full member in the meeting of the Consultative Committee for Economic Development in South and Southeast Asia held at Colombo, Ceylon, from February 12 to 20, 1951. This meeting provided an excellent forum for making known the sympathetic interest of the United States in economic development in South Asia, although no commitments as to the nature or extent of possible United States assistance were given.

From January 25 to April 25 the number of USIE personnel, United States and local, in South Asia increased from about 360 to some 450. Priority in the USIE program has been given to India and Pakistan, personnel in India on March 31 being 344 and in Pakistan, 80. The total USIE program for South Asia is being reviewed in order to increase its effectiveness in reaching key target groups.

On February 12, 1951, the President recommended to the Congress that it authorize a grant of two million tons of food grains to India to assist that country to meet a food crisis arising from an extraordinary series of droughts, floods and other natural disasters which had seriously reduced domestic food production. Representatives of the Department of State, the Department of Agriculture and the Economic Cooperation Administration strongly supported this proposal in hearings before the House Foreign Affairs Committee on February 21 and 22, and before the Senate Foreign Relations Committee in executive session on April 16-18. A rule for a House bill authorizing a loan to India for the purchase of two million tons of grain was issued by the Rules Committee on April 25. A Senate bill authorizing the supply of two million tons of grain, one-half as a grant and one-half on credit terms, was approved by the Foreign Relations Committee on April 20. Further Congressional action was pending on April 25.

On March 16 the Indian Government entered into an agreement, embodied in an exchange of notes, under Section 408(E) of the Mutual Defense Assistance Act of 1949, as amended, thus becoming eligible for military procurement assistance on a reimbursable basis. The Government of Pakistan had entered into a similar agreement on December 15, 1950. In addition to testing samples made available to both countries, Pakistan has received 70 medium tanks with two years maintenance spares, and India spare parts for light tanks under these agreements. Both countries have purchased other types of military equipment in open market, including such items as remanufactured

training aircraft. Negotiations with respect to additional matériel for both countries were in progress on April 25.

On April 19, as a consequence of representations by the United States Ambassador in New Delhi, the Government of India prohibited the export of tires and tubes. Although the ban was imposed on all destinations, its principal intent was to stop the flow of tires and tubes to Communist China.

With respect to the dispute between India and Pakistan over the future of the State of Jammu and Kashmir, the President on February 16, 1951, assured the Prime Minister of Pakistan that the United States Government would endeavor to provide a United States citizen to represent the United Nations in the next phase of the United Nations effort to settle the dispute. On February 21 the United States and the United Kingdom jointly introduced in the United Nations Security Council a resolution providing for the appointment of a United Nations Representative charged with effecting the demilitarization of the disputed state and preparing the way for a plebiscite to determine whether the people of Kashmir wished to be affiliated with India or Pakistan. The resolution further provided that matters on which the United Nations Representative was unable to achieve agreement between the parties should be referred to arbitration. This resolution, with minor amendments, was adopted by the Security Council on March 21 [30]. The Government of India indicated that the resolution was unacceptable to it. The Government of Pakistan accepted the resolution. Dr. Frank Porter Graham has agreed, with the President's approval, to serve as the United Nations Representative provided for in the resolution and it is anticipated that he will be so designated by the Security Council on April 30.

On February 25, 1951, the Governments of India and Pakistan signed a trade agreement valid until June 30, 1952. This agreement ended a trade impasse which had existed from September 1949 when India devalued its rupee and Pakistan did not. The United States Government had no part in the negotiation of the agreement, but the Department of State had in the immediately preceding months repeatedly urged both the Indians and the Pakistanis to find some formula which would permit a resumption of trade between their complementary economies.

During the period under review the Department of State continued its efforts to persuade the Pakistan Government to accept the United States proposal of November 6, 1950, made to Afghanistan and Pakistan, for the resumption of more normal relations and, thereafter a conference between the two governments. The Afghan Government had informally indicated its willingness to accept this proposal shortly after it was put forward. The Pakistan Government on

April 14 stated that it was prepared to accept those portions of the United States proposal looking toward the resumption of more normal relations, but that before agreeing to participate in a conference, it wished to have the utility of such a conference explored through bilateral diplomatic channels. In the meantime and without apparent reference to the United States proposal, the two governments had in mid-April embarked on informal, exploratory talks at the official level. On April 23 the Secretary of State informed the Afghan Prime Minister,² in this country on an unofficial visit, of the substance of the Pakistan reply to the United States proposal. Efforts to bring the two governments together were still in progress on April 25.

There were no developments to April 25, 1951 which require a revision of the policies approved in NSC 98/1 on January 25.

H. FREEMAN MATTHEWS

² Shah Mahmud Khan.

S/S Files : Lot 63D351 : NSC 98 Series

Memorandum by the Deputy Under Secretary of State (Matthews) to the Executive Secretary of the National Security Council (Lay)

TOP SECRET

[WASHINGTON,] November 13, 1951.

Subject: Second Progress Report on NSC 98/1, "The Position of the United States with Respect to South Asia."¹

NSC 98/1 was approved as Governmental policy on January 25, 1951. It is requested that this progress report as of November 2, 1951 be circulated to the members of the Council for their information.

On June 15 the President signed the Emergency Food Aid Act² providing a loan to India of \$190,000,000 for the purchase of food grains in the US. By November 2 approximately 97 vessels, carrying some 845,500 tons of grain purchased under the loan had left US ports for India. In mid-July a representative of ECA joined the Embassy staff in New Delhi to observe grain distribution and to implement provisions of the Act. While it is too early to evaluate accurately the full effect of the grain loan, it is evident that it has averted famine in India; and there is good reason to believe it is contributing to economic stability, and indirectly to political stability. When the Emergency Food Aid Act was passed the Government of India announced restoration of a substantial cut in grain rations. There is reason to believe the grain loan has increased good will toward the US in India.

¹ The National Security Council, in NSC Action No. 584, noted this progress report at its 107th meeting on November 28 (S/S Files, Lot 62 D 1, NSC Actions).

² Public Law 48, 82d Congress, 65 Stat. 71.

With reference to the strategic materials clause of the Food Aid Act, it should be noted that in June and early July a special mission headed by Ambassador Pawley³ visited India to discuss with high Indian officials the question of increased shipments of strategic minerals—particularly beryl, manganese, mica, and kyanite—and initial shipments, heretofore prohibited, of monazite. In September a Government of India representative visited Washington to continue negotiations. A contract has now been drawn up to cover shipment from India of 500 tons of monazite concentrate. During the period under review, India has informed the US that it does not intend to ship strategic or military items to China.

Dr. Frank Graham, UN Representative appointed under the Security Council's Resolution of March 30, 1951, presented his report⁴ to the Security Council on October 18 after two and a half months in the Indo-Pakistan subcontinent where he endeavored to effect demilitarization of Kashmir on the basis of agreements reached between India and Pakistan incorporated in the United Nations Commission on India and Pakistan Resolution of August 13, 1948⁵ and January 5, 1949.⁶ While Dr. Graham has not succeeded in effecting demilitarization, the US Representative on the Security Council has been instructed to support a Resolution continuing Dr. Graham's mediatory efforts. If an equitable solution is not found during the next few months, incidents leading to general hostilities between India and Pakistan, and widespread communal warfare, may well occur. Resulting chaos could in effect deny South Asia and its resources to the free world and, by opening the way to possible Communist control of the subcontinent, threaten a crisis of greater proportions in relation to US national security than the current crises in Egypt and Iran.

Greatly increased tension in India and Pakistan—growing out of delay in the settlement of the Kashmir dispute and the plan of the Kashmir National Conference to hold elections to a so-called constituent assembly to decide the future affiliation of the state, and culminating in the forward movement of Indian and Pakistan troops to their common borders—impelled the Department of State on July 25 to instruct our Ambassadors in New Delhi and Karachi to express grave concern to both governments. Informal approaches were made in Karachi and New Delhi on July 26. Following a lull in September, there are signs that tension may again increase—principally over the Kashmir dispute. The assassination of the Prime

³ William D. Pawley, Consultant to the Secretary of State; formerly Ambassador to Peru (June 1945–April 1946) and Ambassador to Brazil (April 1946–March 1948).

⁴ U.N. document S/2375.

⁵ U.N. document S/995.

⁶ U.N. document S/1196.

Minister of Pakistan, Liaquat Ali Khan, on October 16 represented a blow to stability in the subcontinent. While Liaquat Ali's successor, Khwaja Nazimuddin, is expected to follow Liaquat Ali's policies of moderation, it remains to be seen whether he will be able to control indefinitely popular feeling in Pakistan against India's actions in Kashmir.

On July 17 the National Security Council formally excepted India from the provisions of the Kem Amendment.⁷ This permitted continuation of the operation of the loan agreement with India as well as Point IV agreements. Nepal executed the required certification under the amendment. Pakistan was formally excepted from the provisions of the Kem Amendment on September 19. No formal action was taken regarding an exception for Ceylon under the Kem Amendment. The fact that Ceylon shipped rubber to Communist China October 2 raises a question as to whether Ceylon may be granted an exception under the Battle Act.⁸

During the period since April 25 the number of US Information and Educational Program (USIE) personnel in South Asia or en-route to this area has increased from 63 US and 462 local employees to 87 US and 520 local employees. The total USIE program for South Asia is now under review. Owing to Congressional cuts in funds requested, expansion of the program will not reach the level contemplated by the Department.

South Asia is included under Title III of the Mutual Security Program enacted into law on October 8. Funds which may be made available for this program will be devoted to economic development and technical assistance projects. On November 1 it was announced that programs in India and Pakistan would be directed by Technical Cooperation Administration in the Department of State. No military financial aid is provided for or contemplated at this time, but procurement assistance on a reimbursable basis is available to India and Pakistan under Section 408(e) of the Mutual Defense Assistance Act of 1949, as amended.

Late in October the Governments of Afghanistan and Pakistan were informed that the US was discontinuing its efforts to bring about acceptance by these two governments of its informal proposal of November 6, 1950 for the resumption of more cooperative relations

⁷ The Kem Amendment, Section 1302 of P.L. 45, Third Supplemental Appropriation Act of 1951, approved June 2, 1951 (65 Stat. 52), so-named after Senator James P. Kem of Missouri, provided for a ban on economic assistance to countries exporting strategic materials to Communist-bloc countries.

⁸ The Kem Amendment was superseded by the Battle Act (The Mutual Defense Assistance Control Act of 1951, P.L. 213, 82d Cong., approved October 26, 1951, 65 Stat. 644), so-named after Representative Laurie C. Battle of Alabama, which likewise provided for the suspension of economic aid to nations supplying specified strategic commodities to the Soviet bloc. Rubber was one commodity included in Title II of that Act.

between the two countries. The Department will continue informally to encourage bilateral negotiations but, for the present, does not contemplate making further proposals. Until such time as the Afghan Government decides to discontinue its anti-Pakistan agitation over the status of the Pakistan tribal areas, it is not likely that substantial progress will be made.

During the period under review the Point IV program for South Asia, which is administered on a country rather than a regional basis, has been accelerated. Thirteen US technicians are now in India; 7 are about to leave for that country; and 44 awards have been granted to Indians for training in the US. There are 6 US experts in Pakistan and 4 scheduled to leave soon, while 90 awards have been granted to Pakistanis to train in the US. Three US experts have arrived in Afghanistan and 5 Afghan trainees have been selected to come to the US. Five Ceylonese were awarded training grants in FY 1951, but further US technical assistance to Ceylon has been suspended pending a decision as to Ceylon's status vis-à-vis the Battle Act.

There were no developments to November 2, 1951 which required a revision of the policies approved in NSC 98/1.

H. FREEMAN MATTHEWS

EFFORTS TO RESOLVE THE DISPUTE BETWEEN INDIA AND PAKISTAN OVER KASHMIR ¹

Editorial Note

Proposals for a new effort by the United Nations Security Council to resolve the Kashmir dispute under the joint sponsorship of the United Kingdom and the United States had been under informal discussion in London and Washington since the fall of 1950. An impetus to these discussions was the report to the Security Council on September 15, 1950, by Sir Owen Dixon of Australia, United Nations Representative for India and Pakistan, that no agreement had been reached between India and Pakistan for the demilitarization of the State of Jammu and Kashmir or on other preparations for the holding of a free and impartial plebiscite, and requesting the formal termination of his position (U.N. document S/1791).

Sir Owen had been appointed U.N. Representative by the Security Council on April 12, 1950, in accordance with a resolution of March 14, 1950 (S/1461). This resolution took note of the following earlier United Nations efforts to resolve the Kashmir dispute:

(a) The Security Council Resolutions of January 20, 1948 (S/654) and April 21, 1948 (S/726), which established the United Nations Commission for India and Pakistan (UNCIP), of which the United States was a member.

(b) The UNCIP Resolutions of August 13, 1948 (S/995), and January 5, 1949 (S/1196), both endorsed by the Security Council. The former resolution provided *inter alia* for a cease-fire, a truce agreement, and an unfettered plebiscite. The latter resolution set down the conditions and basic principles of the proposed plebiscite.

(c) The nomination by the U.N. Secretary General on March 21, 1949 of Fleet Admiral Chester W. Nimitz, U.S.N., as Plebiscite Administrator for Kashmir in accordance with the UNCIP Resolution of January 5, 1949. As of early 1951 Admiral Nimitz had not taken up his functions, pending agreement between India and Pakistan with respect to conditions for demilitarization and a plebiscite.

(d) The efforts of General A.G.L. McNaughton of Canada, President of the Security Council for December 1949, who negotiated informally with representatives of India and Pakistan. His final report to the Council (S/1453, February 3, 1950), which included a plan for demilitarization, was accepted by Pakistan but rejected by India (S/PV. 463-466, February 7-10, 1950).

¹ Continued from *Foreign Relations*, 1950, vol. v, pp. 1362 ff.

741.022/1-251 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, January 2, 1951—7 p. m.

3701. According Olver,¹ UK's latest message from Karachi, sent yesterday, reports Liaquat² still refuses depart from [for] Commonwealth conference³ without assurance Kashmir will be discussed by Prime Ministers. UK's proposal to Liaquat referred to in Embtel 3558, December 20⁴ was that, while there could be no question placing Kashmir on formal agenda, UK would do what it could persuade other Prime Ministers agree consider Kashmir as a group in informal discussions and hoped on basis UK promise its efforts to this end Liaquat would agree attend conference. Purport Karachi's latest message, however, is that Liaquat will not come London until he knows other Prime Ministers have agreed have Kashmir discussed.

Outcome this contretemps must therefore await UK's approach to other Prime Ministers, last of whom should be here by tomorrow latest. According Olver, Menzies⁵ already sold on Kashmir discussions and Olver thinks Holland⁶ will follow his lead. Olver also confident Canada will agree to discussions if others do, but indicated Canadian answer still unknown. Big question mark is Nehru,⁷ now en route London.

Olver said Nehru's response original UK proposal for India-Pakistan talks with UK in mediatory role was favorable (Embtel 3558, December 20) and UK has had message similar Delhi's 1593, January 1⁸ reporting Nehru willing talk privately London re Kashmir. Olver says this does not, however, appear answer question whether Nehru will be willing have issue placed before Prime Ministers as informal round-table. Press here has made big play over Liaquat's alleged insistence that Kashmir be placed on agenda, but, according Olver, this immaterial since UK sure Liaquat will be satisfied with round-table consideration outside agenda. Olver also says it is probably unimportant whether Ceylon and South Africa take part in discussions.

Olver thinks that Liaquat genuinely believes if he attended Com-

¹ S. J. L. Olver, Officer for India, Pakistan, French and Portuguese India, and Ceylon in the South-East Asia Department of the British Foreign Office.

² Liaquat Ali Khan, Prime Minister of Pakistan.

³ The Conference of British Commonwealth Prime Ministers was to open in London on January 4 under the chairmanship of the British Prime Minister, Clement R. Attlee.

⁴ *Foreign Relations*, 1950, vol. v, p. 1442.

⁵ Robert Gordon Menzies, Australian Prime Minister.

⁶ Sidney George Holland, Prime Minister of New Zealand.

⁷ Jawaharlal Nehru, Indian Prime Minister and Minister for External Affairs and Commonwealth Relations.

⁸ Not printed.

monwealth conference and came back empty-handed on Kashmir question his government would probably fall. UK and CRO disturbed by mounting opposition to Liaquat in Pakistan. Olver personally thinks that if Liaquat does not attend Commonwealth conference, then early action on Kashmir in UN will become necessary.

Virtually all articles in wide press coverage here on Commonwealth conference play up India-Pakistan rift over Kashmir and shadow it threatens throw over Commonwealth meeting.

Comment: Foreign Office has recently revealed growing UK anxiety over Pakistan domestic situation which appears contrast appreciably with previous assessment reported Embtel 3558.⁹ We think increased UK concern probably results largely from somber tone most recent reports from UK HC Karachi¹⁰ describing worsening situation and from obvious implications in Liaquat's adamant stand on consideration Kashmir by Commonwealth conference. At time Foreign Office commented on Department's proposals for SC action,¹¹ it would probably not have denied seriousness Pakistan situation, but hopes which UK had then just invested in major decision mediate India-Pakistan talks time Commonwealth meeting led it to fear lest SC or any other action undermine this effort and by same token Foreign Office probably read most favorable meanings into developments then occurring in Pakistan. Latest events have unquestionably had sobering effect.

Repeated information Karachi 41, Delhi 98.

GIFFORD

* On this point telegram 3558, from London, reported that the British Foreign Office and Office of Commonwealth Relations did not consider public unrest in Pakistan to be in any sense at the point of crisis. They discounted talk of holy war, and speculated that the leaders of Pakistan might be stimulating agitation in order to gain a better bargaining position in negotiations.

¹⁰ Sir Laurence Grafftey-Smith, United Kingdom High Commissioner in Pakistan.

¹¹ See the editorial note, *supra*.

690D.91/1-351

Memorandum by Mr. Howard Meyers¹ to the Director of the Office of United Nations Political and Security Affairs (Bancroft)

CONFIDENTIAL

[WASHINGTON,] January 3, 1951.

Subject: Kashmir Dispute: Possible UK-US Courses of Action.

I discussed the present status of the Kashmir question at some length with Frank Collins, SOA, with particular attention to what we might do if Prime Minister Liaquat of Pakistan does not attend the Common-

¹ Specialist on International Security Affairs, Office of U.N. Political and Security Affairs.

wealth Prime Ministers Conference in London. We agreed tentatively on the following points:

1. We should do nothing for the next few days, while awaiting a final decision by Liaquat whether to attend the Commonwealth Conference. We should not urge the UK to place the Kashmir issue on the formal agenda of the Conference, since it is obvious from the most recent telegrams that the British are doing everything in their power to have an informal round-table discussion of the dispute by the Commonwealth Prime Ministers, without placing the Kashmir issue on the formal agenda. London's 3701, January 2, said the Foreign Office believes the Prime Ministers of Australia, New Zealand and Canada² will agree to this procedure; that Canada's answer is still unknown; that it remains to be seen whether Nehru will concur. The Foreign Office believes this informal round-table meeting will satisfy Liaquat.

2. If Liaquat does not attend the Conference and the GOP presses the US for an early SC meeting, we should suggest to the GOP that it is highly advisable to have UK support for any SC action; that the UK has indicated its desire to await the end of the Commonwealth Conference; that the US is willing to have an SC meeting at any time. Therefore, we should suggest that it is advisable that Pakistan settle this particular problem with the UK, indicating that we will reiterate to the British our interest in an early SC meeting.

3. Both Frank Collins and I believe that to do more than this will involve the US taking the initiative in the Kashmir dispute, contrary to our agreement that the British should assume and maintain this initiative. We do not believe that our assumption of initiative is indicated by the present situation. Liaquat's intransigence appears initially, at least, to have strengthened his position at home and that of his government. If the present Western-oriented government of Pakistan should be threatened with dismissal from power because of SC failure to consider the Kashmir question and to advance somewhat toward a reasonable solution, then we think the Department should review the situation to decide whether the US should assume the initiative from the UK in attempting to aid the parties to reach a solution. The Pakistan desk in SOA has recommended that the US in fact assume this initiative, but I do not believe that Bert Mathews³ favors this proposal.

4. As soon as possible, most probably when we know the outcome of the Commonwealth Prime Ministers Conference in regard to Kashmir, we should try to obtain UK agreement on the draft UKDel-US resolution⁴ which Robert Fowler⁵ telegraphed London on

² Louis Stephen St. Laurent, Canadian Prime Minister.

³ Elbert G. Mathews, Director of the Office of South Asian Affairs.

⁴ A copy of this draft U.K.-U.S. Security Council resolution on Kashmir was contained in telegram 573 to the U.S. Mission at the United Nations, December 8, 1950, not printed (357.AB/12-850). A later version of the draft resolution (Security Council document S/2017) was submitted by U.K. and U.S. representatives at the 532nd meeting of the Council on February 21 and was discussed through March 9 (S/PV. 532-536). On March 21, a revised joint draft resolution (S/2017/Rev. 1; see text, p. 1758) was introduced and adopted on March 30 (S/PV. 537-539).

⁵ Robert Fowler, member of the U.K. Delegation at the United Nations.

December 9. We still do not know the specific British objections to this draft but believe the only important one was that there should be two resolutions, one dealing with the action of the Kashmir National Conference,⁹ and that the UK did not wish to sponsor this resolution for fear of Indian ire. If the UK still refuses to sponsor or co-sponsor a resolution of this nature, we should attempt to secure other co-sponsorship in the SC with the US as one of the sponsors. The UK, presumably, will still co-sponsor a resolution appointing a special representative to interpret the parties commitments and report what has been done in implementation of these commitments. Both Frank and I believe that it is important that the SC go on record as refusing to accept any blatant unilateral attempt to settle the Kashmir dispute, such as the action of the Indian-controlled Kashmir National Conference. We have had some indication recently from New Delhi that the Indians might back down somewhat in regard to this action, if a strong stand is taken by the UN.

The above conclusions represent our working-level ideas only, and are being submitted to you and to Bert Mathews for your comments.

⁹ On October 27, 1950 the General Council of the All-Jammu and Kashmir National Conference adopted a resolution recommending that a Constituent Assembly be convened to determine the "future shape and affiliations of the State of Jammu and Kashmir." The area from which this Constituent Assembly was to be elected was only a part of the State of Jammu and Kashmir. In a letter of December 14, 1950 (S/1942) addressed to the President of the U.N. Security Council, Sir Mohammed Zafrulla Khan, Minister of Foreign Affairs and Commonwealth Relations of Pakistan called attention to Indian press reports that Prime Minister Nehru had welcomed the proposed Constituent Assembly and had declared that it would "ratify the formal accession of the State to India." Further press reports indicated that a formal proclamation to hold elections was about to be promulgated by the government of Maharaja Hari Singh. Zafrulla charged that this move sought to nullify the international agreement between India and Pakistan embodied in the UNCIP Resolutions of August 13, 1948 and January 5, 1949. He called for urgent consideration of the Kashmir question by the Security Council and requested the Council to call upon India to refrain from proceeding with the proposed Constituent Assembly and from taking any other action which might prejudice the holding of a free and impartial plebiscite.

357.AB/1-551 : Telegram

The Secretary of State to the Embassy in the United Kingdom

CONFIDENTIAL

WASHINGTON, January 5, 1951—7 p. m.

3285. Advise FonOff immed fol Dept views re Kashmir.

(1) In event Liaquat fails respond further Attlee appeal to attend Commonwealth PriMins mtg, as appears likely (Embtel 3471 [3741] ¹ Jan 4), we believe prompt action SC essential and that best approach lies in UKDel-US draft res. We note that Pak internal pressures (Deptel 3168 Dec 27)² continue and although Liaquat position temporarily strengthened by stand re Commonwealth meeting we believe

¹ Not printed.

² *Foreign Relations*, 1950, vol. v, p. 1444.

that unless prompt action by SC is taken opposition groups will gain further momentum making position present Govt precarious.

(2) We consider it most highly advisable UK and US both sponsor res re Kashmir Nat'l Conference action and appointment SC special Rep, in order to give full force and effect to such res and advance toward solution of this dispute. We reiterate our belief single res preferable, as outlined Deptel 3077 to London, Dec 15,³ and strongly urge UK join US in sponsoring such single res. We believe joint UK-US sponsorship wld counteract mounting anti UK-US feeling in Pak.

(3) Although we have continued to press UK for their views, we still do not know specific UK objections draft UKDel-US res. We wish details of possible UK objections so that we may reach agreement and be ready for immed SC MTG. What is earliest date UK envisages SC mtg re Kashmir?

ACHESON

³ Not printed.

357.AB/1-651 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL

PRIORITY

LONDON, January 6, 1951—2 p. m.

3776. Embassy officer this a. m. discussed Kashmir with Murray¹ and Lloyd,² SEA Department, in accordance Deptel 3285 January 5. Murray noted Department's views premised on Liaquat's failure attend Commonwealth Prime Minister meeting and confirmed this a. m.'s press reports that Liaquat has agreed attend conference and will depart Karachi by plane this evening. We expressed pleasure at this news and hope that during course conference it would prove possible arrive some solution this problem. We went on to say, however, that we were sure His Majesty's Government would agree that in event it were not possible reach understanding here, disappointment in Pakistan would be sharply intensified and Liaquat's position made increasingly difficult. Under these circumstances we thought that we should still prepare urgently for SC action in event failure here in order provide quick alternative action to absorb shock in Pakistan.

Murray agreed completely with foregoing. While he was not in position give us detailed answer to point 2, Department reftel at this time, he said His Majesty's Government would consider matter urgently and indicated reply might depend largely on way matter progressed here.

¹ J. D. Murray, Head of the South-East Asia Department, British Foreign Office.

² J. O. Lloyd, Assistant, South-East Asia Department, British Foreign Office.

Meanwhile, he would keep us currently informed of developments this question when considered by Prime Ministers.

Re paragraph 3, Department reftel, he confirmed His Majesty's Government's objections to US-UK draft resolution had been basically those reported paragraph 2, Embtel 3509 December 18.³ While first (i.e. desire not sponsor resolution containing implied condemnation India before opening Prime Minister's meeting) no longer applicable, nevertheless His Majesty's Government has continued attach importance second (i.e. that it would be better separate two issues since implied condemnation India might prejudice GOI's acceptance eminent jurist provision).⁴

Following additional points in response Embassy Officer's questions made by Murray:

1. Prime Ministers will not consider Kashmir formally as part of agenda. Murray described procedure to be followed as one of "interested friends sitting around table to attempt solve differences pertaining between two of them." He read us excerpt of message in which Liaquat indicated he had decided attend meeting. Message emphasized Liaquat had hoped that matter would be considered by all Commonwealth Prime Ministers and not merely those "interested" in problem in order that there might be Commonwealth judgment passed on problem. Liaquat went on to say, however, that he appreciated that even on formal agenda items (which he appeared to accept Kashmir should not be), Prime Ministers were free to attend or not as they saw fit, but he hoped as many as possible would participate.

2. Prime Ministers of UK, Austria, New Zealand and Canada (in addition India and Pakistan) will participate in talks. Representatives of South Africa and South Rhodesia will definitely not attend. Ceylon Prime Minister still doubtful but will probably absent himself.

3. UK feels best tactics are to try to pick up where Dixon left off and to obtain agreement partition plus plebiscite, going on from there to try decide on division line and plebiscite conditions. If Pakistan refuses consider partition plus plebiscite, and continues insist on overall plebiscite, tactics may be shifted to try to obtain agreement on plebiscite conditions, not, however, going as far as Dixon in replacing Abdullah⁵ administration. If necessary, UK has in mind suggesting arbitration of plebiscite condition question.

We found Murray and Lloyd on whole fairly optimistic re prospects of success here. Bevin⁶ has reported Nehru to be in eminently favorable frame of mind with respect to conference items in general and to be so preoccupied with question of world peace as to lead Bevin

³ Not printed.

⁴ Reference is presumably to the suggestion which had arisen in discussions with the British in the fall of 1950 that the proposed U.K.-U.S. Security Council resolution provide for the appointment of a prominent judicial figure to report on the Kashmir dispute.

⁵ Mohammad Abdullah, Prime Minister of the State of Jammu and Kashmir.

⁶ Ernest Bevin, British Secretary of State for Foreign Affairs.

to believe that he might be willing find way settling this question. Murray mentioned in passing that Nehru has expressed himself as feeling that he can make his best effort in attempting to promote world peace by not aligning himself either with USSR or US but by continuing to cooperate with Commonwealth.

Embassy will continue keep Department currently informed developments here on this question and meanwhile would appreciate Department's reaction to line we took opening paragraph which went beyond our instructions.⁷

Repeated information Karachi 45, New Delhi 106, USUN 58.

GIFFORD

⁷ In telegram 3314, to London, January 9, not printed, the Department of State concurred in this approach by the Embassy to the British Foreign Office (357.AB/1-651).

741.022/1-1751: Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, January 17, 1951—6 p. m.

3966. Garner,¹ in conversation with Embassy officer today, made it clear Kashmir conversations here made no progress towards solution of problem. While cautious in his language, he left no doubt re his feeling that failure primarily result Nehru's intransigence, although he balanced this to some extent stating that unfortunate public agitation in Pakistan and uncertainty re Liaquat's attendance had created unfavorable atmosphere for conversations. He did not, however, blame Liaquat for this agitation which he felt was a genuine expression public concern and dissatisfaction over impasse.

Altogether three informal meetings held on Kashmir. At first two, Prime Ministers of UK, Canada, Australia, New Zealand and Ceylon present while at final meeting at Chequers only Attlee and Menzies present in addition Liaquat and Nehru. At first meeting atmosphere was friendly and UK was optimistic re possibility agreement. Second meeting was still encouraging and it was not until third that it became apparent there was no possibility any agreement.

Garner went on observe that it was difficult give us full details re proceedings since they were confined Prime Ministers with no other officials present. Memorandums which were prepared by Attlee himself, only reached officials yesterday and were not very full. In general, however, Garner understood Nehru had not been willing accept any

¹ J. J. S. Garner, Deputy High Commissioner of the United Kingdom in India.

suggestion put forward while Liaquat prepared accept all. (In this connection, Garner observed Nehru appears have followed same course as during Dixon efforts by turning down proposals before Liaquat had chance speak, which may have facilitated Liaquat's acceptance).

Following specific proposals put forward on demilitarization during course conversations :

1. Outside force to assist in demilitarization and policing during plebiscite period. UK, Australia, New Zealand and Canada all indicated willingness contribute to force, which, however, was not intended necessarily be exclusive and, if established under UN aegis, would have contained other contingents as well if UN members had felt that would be desirable.

2. Joint Indian-Pakistani force.

3. Force recruited from local inhabitants of Kashmir by plebiscite administrator, with officers chosen from outside. All foregoing proposals were accepted by Liaquat and rejected by Nehru. In case of first suggestion, Nehru turned it down on grounds that it would be interpreted by Indian public as return to old imperial days and might be provocative to Russians.

Garner said Nehru's main point during conversations was that India's association with Kashmir was matter of right while Pakistan's was that of aggressor. He could not, therefore, tolerate positions of two countries in dispute being equated. Government of Kashmir is legal and duly constituted and he insisted Pakistan must therefore withdraw from its territory.

Garner said that although bulk of consideration given to problem was on demilitarization, there had also been some inconclusive discussion of ways in which plebiscite might be conducted. He understood that there had been no great pressure on part due Pakistan for over-all plebiscite and little effective discussion of possibility partition plus plebiscite. There was some general and inconclusive discussion of possibility simultaneous plebiscites in different areas. Question of conditions for holding plebiscite also briefly considered with Nehru taking position he could not commit himself on this point due to his inability to speak for Government of Kashmir.

Garner said SC action is clearly next step and Pakistanis have indicated desire for earliest possible action. In this connection, Garner understood Zafrullah holding himself in readiness to go Lake Success shortly after Liaquat's return to Karachi, while Mohammed Ali ² is understood be proceeding directly from London within next few days. Garner said Pakistanis have told HMG that they do not think that eminent jurist proposal goes far enough and mentioned possibility SC resolution instructing plebiscite administrator to proceed with implementing SC's recommendations.

² Secretary General, Government of Pakistan.

Garner said CRO and Foreign Office now considering nature of steps which should be taken in SC and hope be in position talk to us in near future. While they regard matter as one of urgency in light current Pakistani public opinion, they nevertheless feel it is important give matter fullest possible consideration in order assure that best possible line of action is taken. Garner said Pakistanis concur this latter viewpoint.

Garner emphasized UK carefully watching reaction in Pakistan to latest failure here and is fully alive to danger inherent in situation. He expressed particular concern at anti-Commonwealth turn which Pakistani resentment had taken prior Liaquat's departure for London. He said Liaquat felt that rather complete expose of conversations which he had given in press conference yesterday (Embtel 3962, January 17)³ would help in convincing Pakistan public that Commonwealth had in fact given fullest possible consideration to this problem and had tried in every way find equitable solution to it.

Garner paid generous tribute to Menzies, who, he said, had worked hardest of all Prime Ministers (except Attlee) to find solution to this problem and who was fully aware of disruptive influence which continuance of dispute is having in present world crisis and, more specifically, on Commonwealth solidarity.

When I saw Menzies yesterday, he expressed very grave concern at failure reach agreement, placing blame squarely on Nehru. Menzies spoke of his efforts contribute to solution by offering Australian troops for proposal No. 1 above, which he took initiative putting forward, but which Nehru rejected for reasons of doubtful validity. Menzies most apprehensive continuance of impasse will lead resumption communal strife and perhaps war between two dominions.

Repeated information priority Karachi 60, New Delhi 123.

GIFFORD

³ Not printed.

357.AB/1-1851 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, January 18, 1951—6 p. m.

3992. Fowler (CRO representative UK UN delegate now on consultation London) told us today Mohammed Ali has urged on UK Pakistan viewpoint that SC should now adopt resolution (a) instructing Nimitz carry out duties as plebiscite administrator basic previous SC resolutions and (b) including specific reference offer neutral troops police Kashmir. While all UK views still tentative, FonOff-CRO officials apparently ready agree that more positive SC action than

simply that contemplated "eminent jurist" proposal now necessary. Working levels giving close attention merits Pakistan suggestion.

Repeated information Karachi 62, New Delhi 125.

GIFFORD

690D.91/1-2051 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, January 20, 1951—2 p. m.

654. In my conversation with Zafrulla this morning he confirmed that Mohammed Ali has urged on UK and will urge on US the Pakistan viewpoint that the SC take more positive action on Kashmir issue than had previously been contemplated. Reference London's 3992 January 18 to the Department. Zafrulla added that inasmuch as Mohammed Ali represents the PM's conscience and the PM relies strongly on his judgement he hoped that Department officers in Washington will keep this in mind when discussing the Kashmir problem with him in the early days of the coming week before Zafrulla arrives in New York. He added it is a most important consideration to bear in mind at this time.

Repeated information London 37.

WARREN

357.AB/1-2251

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan-Afghanistan Affairs (Gatewood)

SECRET

[WASHINGTON,] January 22, 1951.

Subject: Kashmir

Participants: Mr. Mohamad [Mohammed] Ali, Secretary-General,
Government of Pakistan

Mr. M. A. O. Baig, Minister, Embassy of Pakistan

SOA—Mr. Mathews

Mr. Gatewood

Problem: To make further progress towards solution of Kashmir dispute.

Action Required: To consider Pakistan views concerning action by the Security Council.

Action Assigned to: SOA

Mr. Mohamad Ali called by appointment and, in the course of a two hour conversation, reported on developments at the Commonwealth Prime Ministers' Conference as follows:

1. The Commonwealth Prime Ministers (excluding the South African representative) met twice and the Prime Ministers of the

UK, Australia, India, and Pakistan met once to discuss Kashmir and the outstanding issues were found to be, *a*) demilitarization (without which it was agreed no impartial plebiscite could be conducted), and *b*) arrangements for a plebiscite. Liaquat recognized that, should certain non-Muslim districts (such as those south of the Chenab) find themselves included in Pakistan as a result of the plebiscite, a serious refugee problem would be created; therefore, he was willing to consider the possibility of having the plebiscite conducted by regions, especially as each of the three principal regions of Kashmir (Jammu and Poonch, The Vale, and the northern areas with Ladakh) were mostly populated by Muslims. Nehru felt that more emphasis should be placed on ethnic and linguistic affinities and maintained his opposition to the "two-nation theory," but he did not object strenuously to the idea of three regional plebiscites. It was pointed out to him that ethnic and linguistic ties of the population in the Ladakh area were stronger with Tibet and China than with India or Pakistan.

In regard to demilitarization, Nehru insisted that he was responsible for the security of Kashmir, that he feared further Pakistan aggression, and that India's legal position was sound. Attlee pointed out that legal considerations should not impede the settlement of a *de facto* situation.

2. Menzies (Australia) put forward the first suggestion for effective demilitarization: Commonwealth troops might be stationed in Kashmir at Commonwealth expense after the withdrawal of both Indian and Pakistan forces. After considering this proposal for a day, Nehru rejected it on the grounds that the USSR would be offended by it, alleging that Kashmir had been turned into an Anglo-American base of operations against Russia and the Indian public would object to this indication that Dominion troops were beginning to re-occupy the subcontinent. Mr. Mohamad Ali was clearly attracted to this suggestion and pointed out that Nehru's arguments were very weak as only one brigade, lightly armed, would be needed throughout Kashmir and these troops would not be numerous enough to arouse suspicions of imperialism or intended aggression.

3. Attlee then suggested that joint Indo-Pakistan forces might be stationed in Kashmir after the withdrawal of the present troops. Nehru flatly opposed this, stating that this would give Pakistan the same status as India and therefore would be equivalent to condoning Pakistan aggression.

4. It was then suggested that the UN Plebiscite Administrator might raise local troops which would be commanded by officers of UN countries other than India and Pakistan. After considering this, Nehru said he was only responsible for the defense and foreign affairs of Kashmir; that this proposal affected the internal administration of the State; and that he would have to consider Sheikh Abdullah in the matter. (Menzies remarked that this would imply that Nehru thought his colleagues were fools, knowing nothing of his control over Abdullah.) Liaquat pointed out that only a question of principle was involved: after both Indian and Pakistan troops were withdrawn, the Plebiscite Administrator must have some military support to insure the impartiality of the plebiscite. Nehru said that, from this point of view, he would have to refuse the proposal and vaguely indicated

that, after consulting Sheikh Abdullah, he might talk about it further with Liaquat when they next meet in Karachi. Mr. Mohamad Ali indicated such a meeting might possibly take place in mid-February but he had no hopes that it would produce any substantive results. He also believed the delay in recruiting local troops, estimated at 6-9 months, would not be very acceptable to his Government, even though Liaquat had agreed to the proposal in London.

5. The UK communiqué and Nehru's press conference on Kashmir left the impression that there were still several points to be discussed. Liaquat's press conference was designed to set the record straight, to inform the Pakistan public of a course of discussions and to show that the Commonwealth Prime Ministers had really made a sincere attempt to move forward. Liaquat made it quite clear that Pakistan would be unable to contribute anything to the defense of the Middle East or Asia until the Kashmir question was solved.

6. In talks with Attlee and Bevin before leaving London, Liaquat pointed out that there was a wave of anti-Commonwealth and anti-UN feeling in Pakistan and that the position of the Muslim League (the source of Liaquat's political power) might be gravely prejudiced if this party were unable to obtain a good majority in the Punjab local elections, now scheduled for March. Accordingly, he urged SC action before the end of January along lines stronger than those put forward in the "eminent jurist" resolution. Attlee agreed with both these suggestions. Liaquat went on to say that he hoped some SC resolution might be worked out along the following lines: *a*) The activities of the Kashmir National Conference (concerning which Zafrulla has already presented a letter to the SC) must not be allowed to prejudice a fair plebiscite; *b*) Nimitz should be appointed both UN Representative (exercising the powers of the former UNCIP to supervise troop withdrawals) and Plebiscite Administrator (with powers to complete arrangements for a plebiscite); and, *c*) the new SC resolution should take account of the offer of Commonwealth troops. Liaquat made it plain that the powers of the Plebiscite Administrator should be sufficient to prevent the local Kashmir governments, on either side of the cease-fire line, from taking any action that would prejudice an impartial plebiscite. The British agreed to give this suggestion most careful and urgent consideration.

Mr. Mohamad Ali pointed out that the "formal authority" of the Plebiscite Administrator is to be derived from the State of Kashmir, in accordance with terms of the UN Resolution of January 5, 1949; that the Indians had insisted, in 1948-49, that this was a mere formality; and that he thought the Indians would induce Sheikh Abdullah to grant proper authority to the Plebiscite Administrator if the SC were to pass a resolution such as Liaquat suggested. He also said he had seen the President of the SC (Quevedo) briefly in New York and had obtained his agreement that SC action on Kashmir should consist of something further than a mere acknowledgment of Zafrulla's letter regarding the Kashmir National Conference.

In closing this summary of developments in London, Mr. Mohamad Ali expressed the hope that the US would support SC action along the lines suggested by the Pakistan Prime Minister.

Mr. Mathews thanked Mr. Mohamad Ali for informing us of the London discussions and said that the Department agreed that, *a*) the "eminent jurist plan" was no longer adequate, and *b*) that the SC must act promptly. He pointed out that we were not yet informed of specific British views in this matter and that our own thinking was in a formative stage. Meanwhile, he raised some questions, on a personal and speculative basis, eliciting the following replies:

a) The Plebiscite Administrator should be allowed discretion to request outside military forces for duty in Kashmir from UN members so as to avoid the possibility of having the USSR offer some troops for this purpose, (this would be distasteful to Pakistan, which was quite ready to accept Swiss or Swedish or Commonwealth or locally raised troops).

b) In the view of Pakistan military authorities, only one brigade (3 battalions) would be necessary for the use of the Plebiscite Administrator in the whole of Kashmir. It was to be understood that the existing strength of local police forces was not to be increased and that all types of Indian and Pakistan troops (including local State forces and the Maharajah's guards) were to be withdrawn.

c) Pakistan could not consider making a unilateral gesture by withdrawing its troops shortly after the passage of a SC resolution such as Liaquat proposed; public opinion would accuse the GOP of leaving Azad Kashmir at the mercy of the Indians. Pakistan forces, however, could be withdrawn as soon as UN contingents arrived in Kashmir.

d) It might be possible for Pakistan to agree that the plebiscite should be conducted by districts (tehsils) rather than by regions, provided India accepted conditions for a "reasonable" conduct of the voting.

Mr. Mohamad Ali attached great importance to the appointment of Admiral Nimitz as both UN Representative and Plebiscite Administrator at the earliest possible moment, pointing out that the Admiral had been accepted by both parties, that he was internationally eminent, and that any delay in his appointment would postpone a plebiscite until the summer of 1952, whereas Pakistan wishes the earliest possible action.

Mr. Mohamad Ali said his government would have no difficulty controlling any possible tribal incursions into Kashmir, provided definite action were taken to set in motion the procedures for a fair plebiscite.

It was agreed that the Foreign Minister (Zafrulla), who is arriving in New York about January 25, and Mr. Mohamad Ali would be available for conference in Washington, if necessary, and that the Department would inform the Pakistan Embassy if further discussions with Mohamad Ali were required. Mr. Mathews said we would give most urgent and careful consideration to GOP views in this matter.

690D.91/1-2251

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

SECRET

[WASHINGTON,] January 22, 1951.

Subject: Afghan-Pakistan Dispute; Pakistan Position Re Communist China; Pakistan Proposal for SC Action Re Kashmir

Participants: Mr. Mohamad Ali, Secretary-General, Government of Pakistan

Mr. M. A. H. Ispahani, Ambassador of Pakistan

NEA—Mr. McGhee ¹

SOA—Mr. Gatewood

[Here follow introductory remarks and discussion of two subjects: the Afghan-Pakistan border dispute and the attitude of Pakistan toward Communist China. The portion relating to the Afghan-Pakistan dispute is printed on page 1934.]

Kashmir:

Mr. Mohamad Ali then briefly reviewed developments arising from the London Conference of Prime Ministers, emphasizing that Nehru's desire to keep troops in Kashmir had prevented any progress in London; that his Government hoped the US would support speedy action in the SC along the lines suggested by the Pakistan Prime Minister (as indicated in the earlier conversation with Mr. Mathews)²; that the Kashmir question was a matter of world importance, as Pakistan would be unable to contribute anything to the defense of the Middle East or Asia until this issue were settled and that there was a strong feeling in Pakistan that the Government's support of the Commonwealth and the UN had failed to produce any favorable results. In passing, Mr. Mohamad Ali remarked that his Government could probably work out arrangements with Iran to reinforce Middle Eastern defenses, provided Pakistan could be relieved of the military pressures generated by the Kashmir case. He also pointed out that the Pakistan public wondered why powerful nations like the US and the UK should not find it possible to make their power effective in a just cause and should continue to pay court to India, which had not honored its international obligations.

In answer to questions by Mr. McGhee, Mr. Mohamad Ali said that Nehru had offered no suggestions of his own in London, and that, although the stability of the present Pakistan Government would not immediately be affected by lack of progress in the Kashmir case, it

¹ George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

² *Supra*.

was important that the Muslim League obtain a good majority in the elections for the provincial Punjab legislature (scheduled for March) as failure to do so might mean the decline of this government party in other provinces and, eventually, in the Central Legislature.

Mr. McGhee said he well understood Pakistan's interest in Middle Eastern questions (which was one reason for Ambassador Warren's attending the forthcoming Regional Conference at Istanbul)³; that neither the US nor the UN could solve problems without cooperation on the part of other nations; that Pakistan's cooperation had been evident and that Liaquat appeared to have scored several points over Nehru in London; that the US press has been favorable to Pakistan, especially in recent weeks; and that the Department would give earnest consideration to Pakistan's views in moving towards early action in the SC.

³ The Second Regional Conference of the Chiefs of Mission in the Near East, held in Istanbul from February 14 through 21, of which Mr. McGhee served as Chairman.

357.AB/1-1851 : Telegram

The Secretary of State to the Embassy in the United Kingdom

CONFIDENTIAL

WASHINGTON, January 23, 1951—5 p. m.

3487. We regard it imperative have SC mtg re Kashmir soonest, preferably before end Jan, in view Liaquat-Nehru press statements about Commonwealth Conference negots and failure achieve progress in case, with attendant impact GOP internal stability.

We note UK statements Paks do not believe eminent jurist proposal enough and suggest possibility SC res instructing PlebAd proceed implement previous SC res. (Embtels 3966, 3992, Jan 17-18). However, 5 Jan 49 UNCIP res, accepted by GOI-GOP, provides PlebAd's activities depend on previous truce and demilitarization, which have not been achieved. Still necessary SC officially recognize reasons for failure demilitarization and plebiscite, which can be done by adopting report of eminent jurist or by other means. To save time and press issue, we suggest utilizing other means, including fol, each of which wld occur after (1) SC discussion 28 Oct Kashmir Natl Conference res on basis GOP ltr Dec 14, (2) SC discussion Dixon report and Commonwealth negots:

(a) Res appointing SC sub-comite or individual to draft detailed plans for state-wide and local plebiscites, and meet with parties to report which plan seems most feasible or make other recommendations for solution dispute.

(b) Res requesting Commonwealth provide UN force to assist parties in demilitarization and policing Kashmir area preparatory to

PlebAd conducting plebiscite as agreed to by parties in 5 Jan 49 UNCIP res. PlebAd to report in 3 months if presence Commonwealth troops has created order sufficient enable arrangements for plebiscite to be carried out, and make recommendations if plebiscite appears not feasible or conditions for fair plebiscite not present.

(c) Res dispatching PlebAd to Kashmir to report whether or not conditions precedent for plebiscite exist, and if exist, to proceed hold plebiscite. This approach founded on possible GOI claims 28 Oct Kashmir Natl Conference res implementation established basis for fair plebiscite.

We contemplate result discussion item (1) wld be res in language contained present UKDel-US draft based on 17 Nov plan.¹ This may be in separate res or part of single res dealing also with one or combination of concepts (a)-(c) above. (a) and (b) singly or jointly believed most productive. It is still not clear from Embtel 3776, Jan 6, whether UK will co-sponsor with US res re Kashmir Natl Conference action. We regard UK-US co-sponsorship this type res extremely important, irrespective whether contained separate res or combined single res with other elements.

Mohammed Ali conversations with Dept officials Jan 22 urged SC action for end Jan and indicated preference res calling for Commonwealth troop participation and despatch PlebAd to area.

Advise Dept soonest UK reaction above proposals.

ACHESON

¹ Reference is to a tentative plan for future U.K.-U.S. action with respect to Kashmir arrived at in discussions in Washington on November 17, 1950 with Mr. Robert Fowler and Mr. Michael Walker, First Secretary of the British Embassy. See the memorandum of conversation by Mr. Howard Meyers, November 17, 1950, in *Foreign Relations*, 1950, vol. v, p. 1439.

741.022/1-2451

*The Australian Prime Minister (Menzies) to the Secretary of State*¹

TOP SECRET

[LONDON, undated.]

Before I leave for a week's rest insisted on by my doctor, would like to pass on to you something which I think it is important for you to know on two of the matters which were discussed here by the Commonwealth Prime Ministers earlier this month.

Kashmir. Our talks on this subject have brought me regretfully to the conclusion that Nehru does not want to settle the Kashmir argument and hopes that lengthy delays may strengthen the prospect of Kashmir acceding to India. I have great sympathy with the position

¹ Transmitted to the Department by the Australian Ambassador, Mr. Norman Makin, under cover of a note to Secretary Acheson dated January 24, 1951 (741.022/1-2451).

of Liaquat Ali Khan, who is facing a difficult political situation in his country. I formed a high opinion of his co-operative spirit. He is very appreciative of the efforts we made in London. It seems to me of the greatest possible importance to get a decision on this matter which is so seriously dividing India and Pakistan. I hope that the Security Council will be able to act speedily when it reaches the Kashmir problem.

Declaration by Commonwealth Prime Ministers.

There are in our declaration, subscribed to by all the Prime Ministers, references to the United States which, as you will not have failed to realise, are of particular significance in view of earlier attitudes towards the United States by Nehru. I myself felt very strongly, and most of my colleagues were of similar mind, that the meeting of Prime Ministers must not end without some statement setting out our beliefs and referring with the greatest clarity to our bonds with the United States. We piloted our draft declaration through the rocks and obtained for all to see Nehru's subscription to its sentiments towards the United States.

You will no doubt hear various versions of what took place at the London meetings. To me, and I know to others, these two things stand out—the light we have thrown on the Kashmir issue, and the ground we have won from Nehru on the question of closest co-operation between the Commonwealth and the United States.²

With warmest regards,

R. G. MENZIES

² This message was acknowledged by Secretary Acheson on January 25 in a note to Prime Minister Menzies sent by way of Ambassador Makin (357.AB/1-2551).

357.AB/2-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET

NEW DELHI, February 3, 1951—10 a. m.

1942. For McGhee.

1. We wish again with all earnestness, suggest that Department take steps relieve Nimitz his present responsibilities re Kashmir and make sure he not replaced by another American national. In our opinion it would be unfair distinguished American officer like Nimitz who has had such honorable and outstanding career to be called upon to submit to ordeals to which he would be subjected if he should undertake carry out duties plebiscite administrator or function of similar character.

2. On various occasions GOI officials have informally hinted that in their opinion he not man for job. These hints contained no reflec-

tion on his character or general ability. It clear, however, that GOI does not want ex-officer American armed forces serve as plebiscite administrator and if Nimitz does come to south Asia in connection Kashmir, he likely not only not receive GOI cooperation but be target venomous Indian press attack which would charge US has in mind its own special interests in Kashmir and which would seriously affect success his mission. We hope Nimitz can be replaced by outstanding person chosen from Commonwealth or from some small country which would not be vulnerable to charge of having selfish interests in settlement.

HENDERSON

357.AB/2-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, February 3, 1951—11 a. m.

1943. 1. During our conversation yesterday Bajpai¹ asked if I had any information as to what next step of UN re Kashmir might be. I replied I had nothing sufficiently definite nature be of value, but I had thought it likely that Kashmir case would be active again in near future since further postponement might give impression lack UN interest in settling dispute before it.

2. Bajpai said he did not wish attempt unduly influence US policy this matter, but speaking personally he hoped US would not just at this time take lead in action which might be construed as bringing pressure on India re Kashmir. If US should initiate or play leading role in such action it would be difficult convince Indian press and people that US not "getting back" at India for position latter had assumed re Korea and Far East. GOI, of course, aware that US Government would not permit itself be influenced in consideration of question such as Kashmir by differences of opinion between it and GOI re Far East. There was grave danger, however, that Indian public would feel differently.

3. I expressed Bajpai appreciation for his frankness and said I could understand and did share his concern. US Government was, of course, extremely anxious have good will and friendship of Indian press and people and did consider this important factor in making foreign political decisions just as it was compelled to take also into consideration other factors such as what was best for preservation world peace.

HENDERSON

¹ Sir Girja Shankar Bajpai, Secretary General, Indian Ministry of External Affairs and Commonwealth Relations.

357.AB/2-651

*Memorandum of Conversation, by Mr. Frank D. Collins of the Office
of South Asian Affairs*

CONFIDENTIAL

[WASHINGTON,] February 6, 1951.

Subject: 1. Unavailability of Admiral Nimitz for Kashmir Negotiations: US suggestion for Dr. Ralph Bunche ¹
2. India's Request for Wheat

Participants: Mr. C. E. Steel, Minister, British Embassy
Mr. Michael Walker, First Secretary, British Embassy
NEA—Mr. George C. McGhee, Assistant Secretary
UNA—Mr. John Hickerson, Assistant Secretary ²
SOA—Mr. Frank D. Collins
UNP—Mr. Howard Meyers

After welcoming the opportunity to confer with the UK representatives, Mr. McGhee stated he wished to discuss two matters: (1) Kashmir and (2) India's request for wheat.

Kashmir:

The appointment by the President of Admiral Nimitz as Chairman of the President's Commission on Internal Security and Individual Rights ³ was of such importance that we would be unable to make his services available for the duties proposed in the UK draft resolution. There was a great deal of feeling in this country with respect to the need for such a Presidential Commission and as the UK was aware Admiral Nimitz had held himself in readiness for almost two years to depart for the sub-continent and take up his Kashmir duties.

We have always regarded the Kashmir problem as a matter of primary Commonwealth concern and were appreciative of the efforts made at the recent Commonwealth Prime Minister's Conference at London as well as the previous efforts of Commonwealth representatives such as General McNaughton of Canada and Sir Owen Dixon of Australia in attempting to solve the Kashmir issue. We wish to stress, however, that we are not withdrawing our great interest in the settlement of this issue and we wish to continue to be of as much help as possible. If the UK is agreeable we would be glad to approach another distinguished American, Dr. Ralph Bunche and press him to take on the proposed Kashmir negotiations. We would appreciate it if the UK would keep in confidence this information pending their reply to our suggestion at which time we will inform the Pakistan Ambassador of this development. Mr. Hickerson stated we would have

¹ Ralph J. Bunche, Top-Ranking Director, Department of Trusteeship and Information for Non-Self-Governing Territories, U.N. Secretariat.

² Mr. Hickerson was Assistant Secretary of State for U.N. Affairs.

³ President Truman had appointed Admiral Nimitz to this post on January 23.

to ask for the release of Dr. Bunche's services from Secretary General Trygve Lie who would probably be reluctant to give him up but would, we think, agree if a time limit were set in the proposed resolution.

Mr. Steel remarked that the UK would regret the loss of Admiral Nimitz's services but that his government appreciated the continued willingness of the US to be of help. He personally believed Bunche might be very effective. He would, however, have to refer the matter to London. He wondered whether Bunche would agree to take on such a task. Mr. Hickerson indicated that he believed, if pressed by the UK and the US, Bunche would reluctantly agree to serve. Mr. Collins remarked that in the event Bunche might not be available we believed there were a number of Commonwealth candidates who might be considered, including Dixon.

Mr. Walker was of the opinion that Dixon would be very much disliked by Pakistan and Mr. Steel concurred. Mr. Hickerson indicated that he believed from conversations he had with Dixon that the latter would be extremely reluctant to serve. Mr. Steel stated that he would inform the Department of London's reaction to our suggestion with respect to Dr. Bunche as soon as possible. It was agreed in the meantime that the UK and the US would move ahead to work out the existing minor differences in the UK draft resolution. (At this point Messrs. Hickerson and Meyers left the meeting.)

[Here follows a brief discussion of India's request for foodgrains from the United States; for documentation, see pages 2085 ff.]

357.AE/2-1051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL

NEW DELHI, February 10, 1951—2 p. m.

2035. According to New Delhi press today UK and US will jointly sponsor resolution in SC next week with aim solving Kashmir problem. Basis Anglo-American scheme would be to hold plebiscite in Vale and to provide some form UN supervision. Since failure to find solution at Commonwealth PM meeting UK and US have been exchanging views in joint attempt find way out present deadlock.

When I saw Bajpai February 8 he again asked me if I had anything to tell him about US thinking re Kashmir and whether we were contemplating some kind of resolution in UN. He said various rumors had reached him. I replied situation seemed to me to be fluid and I did not know exactly what my government intended to do. I understood, however, US Government believe UN could not afford neglect Kashmir problem much longer. Kashmir dispute was of considerable importance, not only because of principle involved but

also because settlement seemed to be one of prerequisites for restoration normal political and economic conditions in SA.

HENDERSON

357.AB/2-1251

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State

SECRET

[WASHINGTON,] February 12, 1951.

Subject: Appeals From the UK and Pakistan for Admiral Nimitz's Services in Kashmir

Background:

On January 30 Mr. McGhee and Mr. Hickerson forwarded a memorandum¹ to you requesting that you urge the President to make available Admiral Nimitz's services to carry on UN negotiations in the Kashmir case. When it was decided that this would not be advisable,² another joint memorandum was forwarded to you calling attention to a possible appeal from the UK and Pakistan and recommending that you forward a personal message to Mr. Bevin pointing out that, while Admiral Nimitz was not available at this time, we would be glad if the UK concurred to approach another distinguished American, Dr. Ralph Bunche and to press him to undertake the proposed Kashmir negotiations.³ It was decided that a preferable approach would be to have Mr. McGhee discuss this matter with the British Embassy, which he did on February 6 in a conversation with Mr. Steel, Minister Counselor of the British Embassy.⁴ On February 8, Ambassador Austin in New York informed the Pakistan Foreign Minister, Sir Zafrulla Khan, that Admiral Nimitz's services were unavailable and that the US had suggested to the UK another distinguished American without identifying the person by name. Mr. McGhee similarly on this date informed the Pakistan Ambassador here. Both the UK and Pakistan representatives expressed disappointment upon hearing of Admiral Nimitz's unavailability and Sir Zafrulla has requested a meeting with the President at which time we anticipate that he will ask us to reconsider our decision on Admiral Nimitz.

¹ Not printed.

² According to a memorandum of February 5 by Mr. Matthews to Mr. McGhee, the "Secretary on February 2 decided that it would be inadvisable to approach the President requesting Admiral Nimitz's services be made available for the Kashmir negotiations proposed in the UK draft resolution." (McGhee Files, Lot 53D468)

³ Memorandum by Assistant Secretaries McGhee and Hickerson to the Secretary of State, February 2, 1951, not printed (357.AB/2-251).

⁴ See the memorandum of conversation of February 6, p. 1718.

On February 10 the British Embassy approached the Department and requested that the views of Mr. Bevin be transmitted to you. The UK inquired (Tab A)⁵ if the President could not make Admiral Nimitz's services available for an immediate three-month assignment as provided in the revised UK Kashmir resolution.

A complicating factor is that we have just informally learned that both the White House and Admiral Nimitz are of the opinion that his services might be made immediately available for UN Kashmir negotiations. We believe we should now inform both the UK and Pakistan that we favor Admiral Nimitz retaining his status as UN Plebiscite-Administrator-Designate for future services in Kashmir; that he will not be available for UN duties at this time, in view of his current appointment as Chairman of the President's Commission on Internal Security and Individual Rights; and that we believe another outstanding American can be sent out to take on the immediate task of demilitarization and to suggest plans for the plebiscite. We should stress to the British that we strongly favor Dr. Bunche because of his extensive UN experience in difficult negotiations (Tab B).⁶ We are not in a position to inform the Pakistan Foreign Minister of the name of our alternate choice, as we believe it highly important that the name of the person designated by the UN not be submitted to the parties for their approval, a view shared by the Pakistanis.

Recommendation:

1. That you sign the attached telegram (Tab B) to Mr. Bevin;
2. That you approve the attached memorandum to the President (Tab C);⁷
3. That you arrange to have Admiral Nimitz informed of the above developments.

[Annex]

Memorandum by the Secretary of State to the President

[WASHINGTON,] February 11, 1951.

Subject: Your Appointment With the Pakistan Foreign Minister

Sir Zafrulla Khan, the Pakistan Foreign Minister, will call on you on February 13 or 14 and put forward an earnest request that

⁵ Extract of memorandum of conversation of February 10, not printed, in which the following participated: Mr. Michael Walker of the British Embassy and Messrs. Elbert G. Mathews and Frank D. Collins of the Department of State (357.AB/2-1051). A portion of this conversation is paraphrased in telegram 3765 to London, February 12, *infra*.

⁶ *Ibid.*

⁷ Annex below. The covering memorandum bears the following notation in the Secretary of State's hand: "I gave the memo to the President who will see Sir Zafrulla at 12:15 Wed. [February 14.] I have signed the telegram. D[ean] A[cheson]."

you make available the services of Admiral Nimitz in connection with the Kashmir case, which will be considered by the United Nations Security Council this week.

On the assumption that Admiral Nimitz would not be immediately available for a United Nations assignment, because of his recent appointment as Chairman of the Commission on Internal Security and Individual Rights, the Department has recently informed the British and Sir Zafrulla that another prominent American was being considered for the post of United Nations Representative in the Kashmir dispute. We have also suggested to the United Kingdom (but not to Pakistan) that we believe Mr. Ralph Bunche would provide the most suitable alternate for Admiral Nimitz. Under a new United Nations resolution, which we expect the British and other members of the Security Council to co-sponsor with us, a United Nations Representative would be authorized to effect the demilitarization of Kashmir and to suggest detailed plans for a plebiscite. The functions of Plebiscite-Administrator-Designate, from which Admiral Nimitz is on leave without pay, would be exercised at a later stage. Mr. Bevin has inquired if you could not make the Admiral available immediately for three months' service with the United Nations and I have informed him that, as this would not be possible, we favor the alternative procedure prescribed above.

I believe you will wish to express to Sir Zafrulla your regret that the services of Admiral Nimitz are not now available in connection with the Kashmir case and to say that we have great hopes that another distinguished American will be able to carry out the immediate duties which may be assigned to a United Nations Representative by the Security Council. You may also wish to state that Admiral Nimitz is still the Plebiscite-Administrator-Designate and that you will give every consideration to the possibility of making his services available in that capacity at the appropriate time.

Should Sir Zafrulla inquire as to the name of the American being considered for an immediate United Nations assignment regarding the Kashmir case, you may desire to point out that, in our view, the United Nations Representative should be appointed directly by the Security Council without reference, as heretofore, to either party to the dispute (a position originally put forward by the Pakistan Government).

It is possible that Sir Zafrulla will mention the pending Indian food request and express the hope that the effects of United States generosity will not prove detrimental to Pakistan. In this case, you may find it appropriate to remind him that the Pakistan Ambassador has been informed of our humanitarian motives in this matter, and has

been assured that we do not intend our action to be in any way detrimental to Pakistan's interests.⁸

⁸ The President and the Secretary of State met with Sir Zafrulla and the Ambassador of Pakistan on February 14; see the memorandum of conversation of that date by Secretary Acheson, p. 1726.

357.AB/2-1251 : Telegram

*The Secretary of State to the Embassy in the United Kingdom*¹

SECRET PRIORITY WASHINGTON, February 12, 1951—7 p. m.

3765. On Feb 10 Brit Emb approached Dept requesting substance tele from Bevin be transmitted to Secy containing fol major pts:

1. UK is very seriously concerned over prospect of losing services Admiral Nimitz. They appreciate from US pt of view, importance attached his new duties Chairman Pres Comm Internal Security and Individual Rights. However, UK wishes inquire if Pres cld not make Nimitz available for three-month assignment as provided most recent UK draft res.

2. UK believes prospect finding person similar caliber remote and calls attention acceptance by parties of Nimitz. They attach great importance his symbolic value and believe unavailability Nimitz will give Indians further opportunity to hold up progress.

Convey orally to Bevin or to FonOff for Bevin substance fol comments by Secy:

While we are cognizant importance UK attaches services Admiral Nimitz we regret we are unable to make his services available Kashmir negots at this time.

The internal security problems of this country and their relation to individual liberties is of such importance we believe Nimitz' duties Chairman Pres Comm take precedence over other demands his services. However, we are prepared to give fullest consideration making his services available at later date in order that he may fulfill, if called upon, the duties UN PlcbAd.

We are prepared urge UN Secy-Gen to make available services another distinguished and outstanding Amer, Dr. Ralph Bunche, for UN mission proposed UK-US draft res. We believe Bunche has, because his extensive UN experience difficult negots, qualifications which wld make him particularly effective in proposed UN task. Although we recognize it is unlikely that candidate equally acceptable to both parties can be found, we do believe Bunche wld encounter less resistance dealing with Indians on this problem than wld Nimitz. If UK is favorably disposed toward this US suggestion which was initially made to Brit Emb on Feb 6, we are prepared to approach,

¹ Repeated as telegram 1270 to the Embassy in New Delhi and as telegram 494 to the Embassy in Karachi.

through the UN Secy-Gen, Dr. Bunche and urge him accept this assignment. In event Bunche mission successful, the way wld be opened for PlebAd Designate, Admiral Nimitz, to exercise the functions previously assigned to him by SC.

ACHESON

790D.13/2-1351

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] February 13, 1951.

Subject: Pakistan Objections to Part of Proposed UN Resolution Re Kashmir; Unavailability of Admiral Nimitz for UN Duties in Kashmir; Pakistan Attitude Toward US Approach of November 6 Re Proposed Afghan-Pakistan Conversations

Participants: Sir Mohammed Zafrulla Khan, Foreign Minister of Pakistan

The Secretary

Mr. M. A. H. Ispahani, Ambassador of Pakistan

Mr. Mohamad Ali, Secretary-General, Government of Pakistan

SOA—Mr. Mathews

Mr. Gatewood

Sir Zafrulla called, at his urgent request, and stayed for 35 minutes.

The Foreign Minister said he had learned (through Mr. Fowler of the UK Delegation to the UN) that the proposed UN Resolution concerning Kashmir contained a paragraph¹ referring to the possibility that certain regions might be ceded to the party having a minority of the total votes in any State-wide plebiscite, provided the majority of voters in such regions were in favor of association with the losing party in the overall plebiscite. He wished to express his concern over this provision of the Resolution, as any public reference to the possibility of the partition of Kashmir would have most unfavorable repercussions in Pakistan at this time and would put India in the position of being assured of obtaining at least a part of the State, before any agreement had been reached with India as to the terms of demilitarization or the conditions for a plebiscite. He pointed out that, under these circumstances, India would be extremely unlikely to agree to any arrangements that would assure an impartial voting procedures, especially as such arrangements would have to be much more strictly supervised in the case of regional voting than if a State-wide plebiscite were contemplated (i.e., a difference of 10,000 votes in an overall plebiscite would have little effect, whereas a dif-

¹ This was paragraph B-4-iii of a U.K. draft resolution on Kashmir, an abbreviated text of which appears in telegram 4127 from London, January 25, not printed (357.AB/1-2551).

ference of 2,000 votes in a given region would result in the acquisition of that region by India). Sir Zafrulla said that the past record of the Kashmir case had shown that Pakistan had always been ready to agree to reasonable suggestions by impartial conciliators, whereas India had constantly refused such agreement and was very likely to continue these tactics in view of their past success. He also stated that, if the course of the forthcoming debate in the SC should indicate that India were greatly concerned with the refugee problem that would arise if all of Kashmir went to Pakistan, his Government would probably have no objection to leaving this matter open for further discussions at a later stage, when India had agreed on measures both for demilitarization and a plebiscite.

I said I wished to be quite sure of understanding Sir Zafrulla's remarks, which seemed to me to contain two main ideas: that the possibility of partition should not be specifically mentioned in public at this time and that, if it were, India would gain by it without making any concessions on other points. I asked whether the possibility of partition of Kashmir were not already publicly known, as it had been mentioned in reports of Sir Owen Dixon.

Mr. Mohamad Ali pointed out that, though the Dixon report had alluded to partition, such a reference had little force as compared with a formal reference to this subject by the SC itself, which would support the view that the future of Kashmir would eventually be decided by partition—a view hitherto strongly opposed by Pakistan, which had agreed with India (under the terms of the UNCIP Resolution of January 5, 1949) that the claims to Kashmir should be decided by a State-wide plebiscite. He reiterated that Pakistan's interests would suffer if the UN Resolution now proposed should refer to partition before India had been brought to agree to demilitarization and to the conditions for any type of plebiscite. Sir Zafrulla endorsed this view and said that, in such an event, Pakistan's acceptance of the proposed Resolution would give India "a *quid* without any *quo*". I indicated that I now perceived the nature of the difficulties they anticipated.

Sir Zafrulla expressed regret over the unavailability of Admiral Nimitz in the Kashmir case, but said he would not trouble me with this problem, which he intended to take up tomorrow, in his interview with the President, on the basis of a personal appeal from the Pakistan Prime Minister. He said that, as Admiral Nimitz had taken the oath of office yesterday as Chairman of the new Commission on Internal Security and Individual Rights, he could see that it would require an "uphill effort" to obtain Admiral Nimitz's services.

[Here follows a brief discussion of the border dispute between Pakistan and Afghanistan which is printed on page 1943.]

690D.91/2-1351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, February 13, 1951—noon.

2063. 1. In spite probably unfavorable Pakistani reaction we still hope Nimitz can be relieved his responsibilities re Kashmir. He, or almost any other US citizen prominence and integrity not known be opposed to present US foreign policies would be greatly handicapped.

2. Bunche might be exception, since general impression prevails among Indians he not likely have sympathy for Moslem point view and because India's consistent campaign against racial discrimination somewhat pro-Indian.

3. Members UK HICOM here agree privately with paragraph 1 above.

Repeated Karachi 69.

HENDERSON

Secretary's Memoranda : Lot 53D444

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] February 14, 1951.

Participants: The President

Sir Zafrulla Khan

Ambassador Ispahani

Ambassador Mohammed Ali, Secretary General of the
Pakistan Foreign Office

Mr. Acheson

The President received Sir Zafrulla Khan at the latter's request. Those attending the meeting are noted above.

Ambassador Ispahani opened the discussion by presenting the President with a letter from the Prime Minister of Pakistan. This letter referred to the delays and difficulties which had been created by India in the settlement of the Kashmir dispute and to the fact that the matter was about to come again before the Security Council. The purpose of the letter was to request the President to make the services of Admiral Nimitz available to the United Nations in carrying out any resolution by the Security Council.

After the President had read the letter, Sir Zafrulla Khan supported the request of the Prime Minister. He pointed out the great importance from an international point of view of the settlement of this controversy. This came both from the geographical location of Kashmir and the disastrous consequences of any continuance of the tension between India and Pakistan. He said that to the people of Pakistan the name of Admiral Nimitz was synonymous with holding

of the plebiscite and the peaceful settlement of this controversy. He had become an important symbol of the United Nations and of American interests in the settlement of the dispute.

The President then referred to the long period of time in which Admiral Nimitz had been waiting to perform his duties and the urgent necessity which had arisen to perform the services for the United States in connection with the Loyalty Commission. He said that he could not see his way clear to releasing him at this time. However, he would remain available to conduct the plebiscite and that he hoped that after the Admiral had completed the organizational work and the Commission had got started, preparations for the plebiscite would be sufficiently advanced so that Admiral Nimitz could then conduct it. The President added that if it were desired to have another American carry out any instructions of the Security Council regarding demilitarization, the President hoped to be able to select an outstanding person who would be satisfactory to both parties to the dispute. The President said that they would be consulted in this.

Sir Zafrulla Khan stated that while he was disappointed, the President was obviously the person best qualified to decide where the Admiral's services were most needed. He thought that it was most important in selecting any other person to do the demilitarization task, that he should be a military officer, not only because the task would have predominantly military aspects but also because he thought it most undesirable that the idea of mediation should again be prominent. He hoped that the Security Council would reach decisions and that the man selected would be directed to carry them out. It was for this reason that he preferred a military officer to a civilian, although he did not say that no civilian would be equal to this task.

The President ended the interview by stressing the importance which he attached to the solution of the dispute and his understanding of the necessity of making plans strong and continuing United States interest in this solution.

D[EAN] A[CHESON]

357.AB/2-1451

Memorandum of Conversation, by Mr. W. Averell Harriman, Special Assistant to the President

SECRET

[WASHINGTON,] February 14, 1951.

Subject: Pakistan-Afghanistan

Participants: M. A. H. Ispahani, Ambassador E. and P. (Pakistan)
Sir Zafrulla Khan, Foreign Minister of Pakistan
Mohammed Ali, Secretary General of the Pakistan
Cabinet

Mr. Elbert G. Mathews, Director of South Asian Affairs Division of Department of State
Mr. W. Averell Harriman, Special Assistant to the President

Sir Zafrulla opened the conversation by summarizing his discussion with the President earlier today. He said that he had made a strong plea to the President that Admiral Nimitz be made available for the Kashmir case at this time. The President had indicated that unfortunately it would not be possible to do this but that Admiral Nimitz might be made available later to fulfill his role as plebiscite administrator. Sir Zafrulla said that he must, of course, abide by the President's decision but that he did greatly hope that any American who might be substituted for Admiral Nimitz at this stage of the Kashmir dispute would be of outstanding ability and of a military background.

Sir Zafrulla then referred to his Government's concern at the possibility that the Security Council might make some reference in its next resolution to a regional plebiscite in Kashmir. He said that Pakistan did not object to this concept in principle but that its introduction by the Security Council at this time would encourage the Indians to believe they could obtain even more concessions by being entrenched. I said that I believed that the Secretary of State fully understood the Foreign Minister's point on this matter.

[Here follows a brief discussion of relations between Afghanistan and Pakistan which is printed on page 1944.]

I asked Sir Zafrulla what he thought would happen to Burma. He replied that Burma was in a very shaky internal state and deeply fearful of China. He thought, however, that China would turn its attention first to Indo-China and then to Malaya before exerting greater pressure on the Burmese. This would give time to strengthen the Burmese. I asked the Foreign Minister what he had in mind in the latter connection. He said that economic aid and even military aid would be very helpful. I commented that we were now giving the Burmese some economic assistance, but that they had been rather hesitant in requesting it. Sir Zafrulla remarked that this was only another indication of the Burmese fear of China.

I said to Sir Zafrulla in conclusion that I believed the Russians were strongly of the opinion that the free world could not hold together; that in a sense this was an advantage since the Russians had the idea that if they waited long enough the free world would fall apart and their road would be much easier; and that I did not believe this would happen, although the free world clearly had many problems among its members urgently requiring solution.

I also referred to President Roosevelt's conviction that the Moslem world offered a great opportunity for economic development and

improvement. I myself had much the same feeling as the President. Unfortunately the unhappy events in the Near East and also in the Indo-Pakistan subcontinent had greatly impeded necessary measures in the economic field. We hoped that these political issues could be put at rest and that emphasis could be shifted to the economic field. Sir Zafrulla expressed his agreement and said that, as regards India and Pakistan, their disputes had made them liabilities to the free world when in happier circumstances they could be substantial assets.

Mohammed Ali told Mr. Mathews that in view of the President's decision his Government definitely desired that any representative who might be appointed by the Security Council at this phase of the Kashmir case should not be given the functions of plebiscite administrator, that Pakistan desired that Admiral Nimitz continue to retain that capacity.

W. A. HARRIMAN

690D.91/2-1451 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, February 14, 1951—5 p. m.

2090. 1. Bajpai asked see me this morning. Said he wanted a talk re Kashmir. GOI knew US and UK planning some kind move UN and had been somewhat surprised parties most interested not included in conversations since those parties might be able make useful contributions. He had not asked see me, however, to endeavor find out what US and UK were planning nor to complain. Main object had been to discuss Pakistani tendencies resort to threats of holy war in case Kashmir problem not solved to Pakistan's liking in immediate future. He hoped UK and US could use influence on Pakistan stop this type talk since it merely served inflame passions and did not promote atmosphere conducive to friendly and conciliatory negotiations nor for making arrangements for plebiscite. Particularly difficult plan for right kind plebiscite when one party "beating war drums".

2. I told Bajpai I not aware all going on in Washington and London re Kashmir. Nevertheless sure my government had no intention working out any move re Kashmir behind India's back. Naturally, however, it must give thought to this important problem. I would assume that after Pakistan had presented its case to SC and GOI had given reply US would then make final decisions as to what course action in its opinion SC should take. I thought it likely that at that stage if not before, my government would indicate in Lake Success or in Delhi how it was thinking. I had reason believe my government also deplored any kind war talk in South Asia and was doing what it properly could to discourage it. Nevertheless GOI should bear in

mind since it was in possession Valley Kashmir India was likely to be more placid re delays in solution Kashmir problem than Pakistan. Repeated Karachi 71.

HENDERSON

357.AB/2-1551 : Telegram

The Secretary of State to the Embassy in India

CONFIDENTIAL PRIORITY WASHINGTON, February 15, 1951—6 p. m.

1291. Embtels 2090, Feb 14, 2035, Feb 10. You may convey Bajpai fol US views Kashmir:

1. US attaches great importance early settlement Kashmir issue. Last Mar when SC instructed Dixon proceed subcontinent we were hopeful his efforts wld result progress toward settlement this long-standing issue. Altho Sir Owens submitted his report Sep 15 SC has not, as you know, resumed hearings Kashmir case. US believes SC must address itself immed future Kashmir problem and point out to parties method making progress toward prompt solution this issue. We believe Council may wish bear in mind fol points difference between parties as outlined Dixon's report: a) procedure for and extent demilitarization State preparatory holding plebiscite; b) degree of control over exercise functions govt in State necessary ensure free and fair plebiscite.

2. We believe further SC must address itself Kashmir Natl Conf Oct 1950 res.

3. US has discussed with UK various proposals SC action. We do not believe it advisable discuss in advance substance these proposals with parties but will be fully prepared present our views when SC meets. We sincerely hope India and Pak will give fullest consideration proposals put forth SC and both countries will cooperate fully working toward prompt solution this issue.

FYI only we propose co-sponsor with UK res providing appt UN rep who wld: 1) After consulting parties, effect demilitarization; 2) present detailed plans carrying out plebiscite. We favor Bunche UN rep (Embtel 2063, Feb 13) and are awaiting UK concurrence before approaching Syg and Bunche (Deptel 1270, Feb 12).¹ We believe possibility utilization Nimitz PleBad shld be left open because great difficulties opening question incumbency PlebAd wld entail this stage, and fact parties have agreed his selection. We do not underestimate Indian opposition Nimitz but believe Pak has right be assured every effort will be made by US carry out original commitment given re his services as PlebAd.²

ACHESON

¹ Same as telegram 3765, to London, February 12. p. 1723.

² Ambassador Henderson replied in telegram 2156, from New Delhi, February 17, that he had conveyed to Bajpai the U.S. views on Kashmir outlined in the Department's telegram 1291 of February 15 (357.AB/2-1751).

690D.91/2-2851

*Memorandum by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs and Mr. Frank D. Collins of the Office of South Asian Affairs*¹

SECRET

[WASHINGTON,] February 28, 1951.

Subject: U.S. Policy in the Kashmir Dispute.

1. From New York's 1189, February 23,² reporting a conversation of Zafrullah and Mohammad Ali with Ambassador Gross,³ it appears fairly certain that the draft UK-US resolution introduced in the Security Council February 21 is generally acceptable to the Government of Pakistan. The Pakistan press has indicated some dislike for the border adjustment clause and the provision suggesting that there might be a varying degree of supervision of the government for different areas during the plebiscite, but the objections of the Pakistan Foreign Minister and Secretary General of the Cabinet were concerned principally with drafting rather than substantive matters.

2. The reaction of the Government of India undoubtedly, will be quite adverse, judging from the response of the Indian press to the resolution and supporting speeches. In general, Indian newspapers single out for objection the references to Dixon's demilitarization proposals, the use of foreign troops to police the plebiscite area, and the proposal to refer unresolved issues to arbitration. The *Hindustan Times*, which is regarded as usually reflecting the Government's position, takes the line that the whole resolution should be rejected without effort to amend it and remedy its defects. Accordingly, there is a good possibility that the GOI will take the position of refusing to accept the resolution *in toto*, thus raising the question—what should be the policy of the United States in this event.

3. It should be noted that the Indian Government has objected to considerable portions of previous Security Council resolutions adopted during the course of the India-Pakistan question hearings: particularly the 21 April 1948 and 14 March 1950 resolutions. Despite these objections, the GOI cooperated with the United Nations Commission for India and Pakistan (UNCIP) and with the United Nations Representative who succeeded the Commission, Sir Owen Dixon. Admittedly the GOI did not object to every provision of these past resolutions, but objected to such substantial portions that it is a reasonable assumption that the GOI will similarly be willing to enter into negotiations with the new United Nations Representative even though refusing to accept the resolution.

¹ Addressed to the Director of the Office of U.N. Political and Security Affairs (Bancroft) and the Director of the Office of South Asian Affairs (Mathews).

² Not printed.

³ Ernest A. Gross, Deputy U.S. Representative at the United Nations.

4. Mr. Fowler of the United Kingdom Delegation on 27 February said that he believed the United Kingdom would be willing to consider an Article 37⁴ approach to the Kashmir problem, by which the Security Council would recommend specific terms of settlement for the dispute, rather than machinery to aid the parties to reach a solution, as in the past. This position was based upon a possible GOI refusal to accept the major elements of the resolution, particularly the provision for arbitration of unresolved issues, so that the United Nations Representative would only be retracing the ground covered by Sir Owen Dixon in his unsuccessful mission, if the Indian Government was willing to engage in negotiations with the United Nations Representative although not willing to accept the terms of the resolution.

This indication of a possible United Kingdom position poses a difficult problem. It seems probably that the Indian representative in the Security Council will either refuse categorically to accept the arbitration provision, or will say that, while his Government agrees to arbitration in principle, they cannot commit themselves to arbitration on unresolved issues before they know what are the specific matters to be the subject of such arbitration. This would be in line with Nehru's statements in his exchange of correspondence with Liaquat. Assuming that this will be the Indian line, two possible U.S. positions appear logical:

a) To defer for the present taking issue with the Indian refusal to accept the terms of the resolution, trusting that the negotiations of the United Nations Representative may coincide with other factors sufficient to induce the Indian Government to exhibit a reasonable attitude toward suggestions for solving the dispute, so that the UN Representative's mission will result in a net gain in Security Council action in this dispute.

If this policy is adopted, we should point out that, as was said in our supporting speech on February 21, the resolution does not criticize either of the parties and does not attempt to sit in judgment upon them; that the resolution is predicated on the theory that the area of disagreement between the parties has been narrowed and that the Security Council can best exercise its functions to narrow further this area of disagreement by effecting demilitarization of Kashmir as a prerequisite to conducting a plebiscite. We should take the line that we think the resolution is a practical attempt to capitalize on the often-reiterated willingness of both sides to settle the issue peacefully on the basis of a fair and impartial plebiscite under United Nations auspices. We might refer to Nehru's speeches reaffirming the plebiscite method of settlement and say that we assume that it is still the foundation of GOI policy; that the resolution is directed toward this goal and we, consequently, assume that the Government

⁴ With respect to procedure under Article 37 of the U.N. Charter, see United Nations, *Repertory of Practice of United Nations Organs*, vol. II: *Articles 23-54* of the Charter (New York, 1955), p. 325. See also the case history of the India-Pakistan question, *ibid.*, pp. 309 ff., paras. 91-102.

of India will cooperate to the utmost in aiding the UN Representative to effect demilitarization and to work out detailed plans for such a plebiscite. We can suggest that the United Nations Representative will be able, through his investigations and negotiations, to report back to the Security Council what he has been able to accomplish, so that the Council and the world in general will have a clearer picture of the situation in Kashmir.

In other words, we should ignore the Indian refusal to accept specific terms of the resolution; assure them that we recognize their willingness to settle the issue peacefully by means of state-wide plebiscite, pressing them to meet their previous commitments in regard to the plebiscite; and hint broadly that failure to work with the United Nations Representative will result in a report to the United Nations, which, adequately publicized will further indicate Indian failure to practice the reasonable approach to international issues which they advocate so strongly in other matters.

On the basis of previous Indian action in the Kashmir dispute, the GOI will probably meet with the United Nations Representative to see what possibilities might adduce to their benefit through these negotiations. If the Indians are willing to, in fact, negotiate with the United Nations Representative on the basis of the terms of the resolution which establishes his terms of reference, even though refusing to accept those terms of reference, they have in effect accepted the terms. Moreover, the resolution is predicated upon acquiescence between the parties rather than affirmative acceptance. Under these circumstances, the policy outlined above would seem adequate for the immediate circumstances.

b) If the United Kingdom openly proposes an Article 37 approach (instead of only suggesting the possibility), then in deference to the agreement that the United Kingdom should take the initiative in this matter we might support such initiative, and help draft a resolution by which the Security Council would recommend the specific terms of settlement considered appropriate, on the basis that the continuance of the dispute is in fact likely to endanger the maintenance of international peace and security. If this policy is adopted, it will require careful presentation of the history of this dispute and the continued refusal by the GOI to accept reasonable proposals for solving the two major issues of demilitarization and the plebiscite, in such way as to demonstrate that the Council has been led inexorably to the next step in the process of peaceful settlement of the dispute under Chapter 6;⁵ recommending specific terms of settlement. The new resolution, whatever its details, should be supported by pointing out: (i) the parties have failed to settle the dispute by means of their own choice, (ii) the Council and its representatives have failed to persuade the Indian Government to accept proposals worked out through machinery established by the Council, (iii) the Council must take a more radical step because of the deterioration of the situation in Kashmir and the threat the Kashmir dispute presents to the maintenance of international peace and security in South Asia. For this reason, the United States believes that it is necessary to take a step

⁵ With respect to procedure under Chapter VI of the U.N. Charter, see United Nations, *Repertory of Practice*, vol. II, pp. 193 ff.

which goes beyond that envisaged in the original UK-US resolution presented to the Security Council on Feb. 21. This step is proposed without intending to criticize or judge either one of the parties. However, it is a necessary evolution of this case to which the Security Council has been led by the logic of the situation, in which repeated attempts to reach a solution of the case have foundered upon objections which appear to have no direct relationship to the expressed willingness of both parties to settle the future of Kashmir by a fair and impartial plebiscite under UN auspices. Under these circumstances, the Security Council has no other alternative except that of recommending in detail the steps which should be taken by the parties to bring about demilitarization and a fair and impartial plebiscite under UN auspices.

Recommendations

Despite irritation with the GOI attitude, alternative (a) above is recommended as the better policy as of this moment. It is possible that it may result in nothing more than a fruitless negotiation of the same nature as Sir Owen Dixon's. Nevertheless, it does offer the possibility that a combination of the negotiator's efforts plus other factors in the international and Indian domestic scenes may cause the GOI to be willing to cooperate in demilitarization and accepting a reasonable plebiscite plan. It is reasonable to say that a major factor in United States policy in the Kashmir dispute, to date, has been to attempt to provide various devices for keeping the parties in a negotiating position so that (i) their positions would not become frozen; (ii) the combination of varying factors might cause the Indians to adhere to a reasonable solution. If this, in fact, has been the immediate limited objective of our policy in the United Nations, alternative (a) offers the opportunity of carrying out this policy while still enabling us to resort to a strong stand, as suggested by alternative (b), if the United Nations Representative's negotiations actually are fruitless. In other words, employing alternative (a) does not rule out alternative (b), whereas the use of an Article 37 approach at this time would automatically eliminate alternative (a). Assuming that Pakistan will be satisfied and their public assuaged by Security Council action along the lines of the present UK-US resolution, this resolution should be put forward despite apparent Indian refusal to accept its terms, since the GOI will probably engage in negotiations with the United Nations Representative.

The proposal to present detailed recommendations under Article 37, in addition to eliminating a more flexible approach as outlined above, raises the serious problem of the succeeding step if the Indians, as is probable, reject the detailed recommendations under Article 37. It is true that a recommendation under Article 37 is not binding upon the parties (see Hearings Before the Senate Committee on Foreign Relations, 79th Congress, pp. 272-288). However, a detailed recommenda-

tion of this sort does involve the prestige of the Security Council to a greater degree than previous suggestions by the Council, which have had for their goal establishing machinery to aid the parties to reach a settlement of the dispute. A probable Indian rejection of such detailed recommendation would appear to have a more adverse reaction upon Security Council prestige than non-acceptance by the GOI of the type of proposals envisaged by the present UK-US resolution coupled with probable Indian willingness to negotiate with the United Nations Representative. Moreover, Indian refusal of detailed recommendations under Article 37 might logically lead the Security Council to consider whether the situation constitutes a threat to the peace, and face the Council with the unhappy task of deciding if enforcement measures under Chapter 7⁶ are required. There has been no case before the Security Council to the present in which this question of enforcement measures has been considered when the dispute before the Council did not involve actual hostilities. Thus, it is somewhat difficult to see how the Council can determine that a threat to the peace exists when conditions in the Kashmir area are the same as they have been since the summer of 1949, and the Council has not yet declared that this situation constitutes a threat to the peace. Nonetheless, an Indian rejection of an Article 37 recommendation might well lead Pakistan to conclude that a show of force on the part of the Azad Kashmir forces or Muslim tribesmen would, given the Indian recalcitrance towards the Council, materially aid the Pakistan cause. In this situation, the Security Council would be faced with a situation which might be termed a threat to the peace, and probably would have to decide if enforcement measures were necessary to support the Council's detailed recommendations under Article 37.

A final argument supporting this recommendation that alternative (a) be adopted is that since any lasting settlement of this dispute must rest on Indian as well as Pakistan acceptance, it is difficult to conceive what can be gained by dropping the present UK-US resolution, which is unacceptable to the GOI, and then put forward a recommendation which is sure to be even less acceptable to the Indians. The present resolution, at least, offers the possibility that the UN Representative's negotiations may result in Indian acceptance of a reasonable solution of the dispute, while enabling establishment of more evidence which would be necessary if the Security Council must proceed to a detailed plan for settling the issues. Assuming that the Pakistanis will be satisfied by Security Council adoption of this resolution, as appears quite probable, it does not seem appropriate to drop this resolution and proceed to an Article 37 approach at this time.

⁶ With respect to procedure under Chapter VII of the U.N. Charter, see United Nations, *Repertory of Practice*, vol. II, pp. 331 ff.

330/2-2851 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

SECRET PRIORITY

NEW YORK, February 28, 1951—1:51 p. m.

1207. Re Kashmir. Following SC dinner last night, Jebb¹ agreed to my suggestion that we both approach Rau² for an informal discussion of GOI reactions to Kashmir draft resolution. Although Rau appeared quite ready and willing to discuss matter, Jebb left me alone with Rau almost at once after conversation had begun. However, before Jebb left, following two points were brought up by Rau: (1) His statement that we need not be concerned by the proposed action of the Kashmir national conference (which Rau subsequently in conversation explained in fuller detail, as set forth below); and (2) his comment that the GOI felt matter should have been left to the settlement between the two parties. As to first point, Jebb expressed gratification, and as to second point, he commented merely that this was, after all, what Sir Owen Dixon himself had suggested.

I then continued conversation alone with Rau. Rau said it would be no secret to us that his government had reacted most unfavorably to the resolution. Nehru was "upset, very upset" not only about the substance of the resolution, but by the fact that matter had not been discussed with GOI in advance of tabling the resolution. GOI had made repeated efforts to ascertain in advance what was planned, but approaches to UK both in London and here had been rebuffed.

Throughout our talk, Rau's criticism seemed directed against UK rather than against US. In fact, when I pointed out that our sole interest was to see a fair end to a dispute which was giving increasing concern to our Congress and people who were sincerely friendly toward the people of India, Rau readily expressed understanding of our motive and attitude. I said that we quite naturally felt that the Kashmir dispute was primarily an issue within the British Commonwealth nations, that we wished to be as helpful as possible in bringing the parties to agreement on a mutually satisfactory basis, and we understood that the draft resolution, which we had co-sponsored, reflected the best judgment of the Commonwealth Ministers who had participated in the London discussions of the matter.

Turning to the resolution itself, I said we shared anxiety of the British concerning the proposed action of the Kashmir national conference. It seemed to us that action taken by the conference which might prejudice and prejudice the plebiscite would be grossly arbitrary and utterly inconsistent both with the prior agreement of the parties

¹ Sir Gladwyn Jebb, U.K. Representative to the United Nations.

² Sir Benegal Narsing Rau, Permanent Indian Representative to the United Nations.

and the interest and jurisdiction of the SC. Rau replied that we need have no concern about the actions of the conference. He said the conference would limit itself to preparing a constitution and that for this purpose it was appropriate and necessary to establish a Constituent Assembly. However, the question of accession of the state would not arise. As to this, Rau emphasized, the matter was one to be handled subject to the SC.

I then raised the question of demilitarization, requesting Rau's views on the resolution in this respect. Here I found him most critical of the resolution, which, he insisted, was built upon the "errors" of Sir Owen Dixon. Rau insisted Dixon had turned the clock back by reopening a question which had actually been previously settled by agreement of the parties. When I pressed Rau for further comment on this he said he was referring particularly to fact that the parties had agreed prior to Sir Owen's advent that demilitarization of the state of Jammu-Kashmir would be effected and that this meant withdrawal of all Pakistani forces and of all Indian forces except for a small, if not negligible, number essential for security purposes. Rau complained that Sir Owen had reopened this question and had made it appear that Pakistan was not under an obligation to withdraw its forces from the large areas of which it was in occupation. Rau asserted that GOI was in process of withdrawing Indian forces, and in fact had already withdrawn 20 to 25 percent. Rau, therefore, objected to the provision in the draft resolution instructing the UN representative to effect demilitarization on the basis of Sir Owen Dixon's proposal with such modifications as the UN representative deems necessary.

I replied that we were interested solely from the point of view of assuring that conditions would be established in which a free and fair plebiscite could be held. It seemed clear to us, as we had been advised by the British and by General McNaughton as well as Sir Owen Dixon, that demilitarization was an essential prerequisite. I said I assumed GOI was still willing to adhere to its agreement that a disposition of the state would be decided by a plebiscite. I asked Rau whether he could hazard an opinion as to when he thought a plebiscite could be held at the earliest practicable time under conditions assuring that such a plebiscite would be free. I found Rau very evasive on the whole subject of a plebiscite and I consequently prodded him from different directions. This elicited a rather discursive lecture on the impossibility of anyone (I was certain he was referring primarily to the British) understanding the problems of Kashmir who was not thoroughly familiar with the local situation. Rau said he himself had been Prime Minister of the State for over a year and he was personally well aware of the many difficulties and complexities of the situation. He thought Abdullah was genuinely attempting to bring

about reforms within the State and that conditions were improving all the time. This, Rau maintained, was why it was possible for the GOI to withdraw a substantial portion of its forces there. In addition, the Pakistanis had acted in a most unreasonable manner. Rau illustrated his comment by saying that he believed the dispute could have been settled last year if Ibrahim, former President of Azad Kashmir, had been allowed to follow through on his plan to confer at Lake Success with Abdullah. Rau said a lunch had actually been arranged by Ibrahim and Abdullah, but that the day prior to the luncheon, the Government of Pakistan had requested Ibrahim to leave New York.

I said that we did not wish to reopen settled questions nor become involved in a fruitless debate over past history. We were interested in the future and in the prompt and fair settlement of the dispute. Therefore, I hoped that Rau in his statement to the SC could find it possible to avoid bitterness, rancor or destructive criticism. I ventured to suggest to him that his approach might be to point out the manner in which the GOI felt the dispute could be settled, the steps by which his government believed demilitarization could be accomplished and the method and the time for holding a plebiscite. In other words, it seemed to me that if GOI pointed the way toward a solution, it would be most reassuring to our government and public, which were becoming increasingly anxious over the indefinite postponement of solution. Rau did not comment himself but listened attentively, and I do not know what his ultimate course will be. He reverted to his earlier comment that it was most unfortunate that the resolution had been tabled without prior discussion with his government. He repeated Nehru's deep disappointment and dissatisfaction and said it was quite possible that it was too late now to undo the harm that had been done. He felt that we should have taken into account the necessity for parties to reach an agreement on their own, and pointed to the recent trade agreement between India and Pakistan, which he said had been successfully concluded in spite of great difficulties in the way. He said we must remember that GOI is not a dictatorship and that the public reaction as well as the reaction in the Indian Parliament, has been violently opposed to the draft resolution. All this, Rau repeated, might have been avoided if his government had been consulted prior to the publication of our resolution.

The tone of our conversation, which was rather lengthy, was most friendly throughout and Rau seemed anxious to appear reasonable without concealing at any point his strong feeling that it had been a mistake to table the resolution without previous consultation with GOI.

357.AB/2-2851 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, February 28, 1951—5 p. m.

2272. Munshi¹ invited me call, ostensibly show me text Parliament statement he making today re efforts secure Russian wheat. Real purpose however was voice concern about likely results SC consideration Kashmir resolution sponsorship US-UK. Munshi said rightly or wrongly most Indians felt US sponsorship was retaliation for Indian attitude re Korea and to placate Pakistan. If matter came before SC Indian attitude at mildest would be SC could take whatever action it desired but India would refuse cooperate. It was even conceivable course debate might be such as induce India withdraw UNO. India in either event would be forced psychologically toward side Soviet and Communist China, latter of which, he said, was endeavoring placate India by reaching an accommodating agreement with Tibet. Soviets, he thought would play India's side in SC and probably use veto (see Embtel 2231, February 24).² In his view whole outlook was dismal and threatening, more so since US-UK did not seem be aware intensity Indian feeling.

By way of background Munshi mentioned Indian feeling it had been let down by British in Commonwealth Conference London, in GA action labeling Communist China aggressor³ and now (for first time in Kashmir dispute) in resolution strongly favoring Pakistan. His implication, though he avoided saying so, was Britain had yielded to or was influenced by US in each case.

I told Munshi could not believe GOI would take in SC almost suicidal course he had suggested, it was complete misreading US motives to regard sponsorship SC resolution as in any way related Indian action Korea. US concern about Kashmir dispute, involvement in which we had long sought avoid, was it constituted serious threat to peace and danger spot for Communist infiltration in South Asia. We had hoped India and Pakistan could themselves resolve problem but they had made no progress and situation now seemed threatening deteriorate as result Kashmir National Confederation activities. As member UN and SC with responsibilities for leadership we felt duty bound use UN machinery endeavor prevent situation becoming more dangerous.

¹ Kanialal Maneklal Munshi, Indian Minister of Food and Agriculture.

² Telegram 2231 from New Delhi, February 24, not printed, conveyed a report received by the Embassy that Sir B. N. Rau would make a statement at Lake Success on the U.K.-U.S. draft Kashmir resolution that would be the "shortest and most insulting" ever made in the U.N. (357.AB/2-2451).

³ Resolution 498 (V), adopted by the General Assembly at its 327th Plenary Meeting on February 1.

Munshi said he himself did not doubt US sincerity but many others did and he was frankly alarmed about attitude developing this country and wondered whether something could not be done avoid matter's coming to crisis. Was it not possible for SC debate be avoided at present time which most unpropitious. He suggested delay of say two months. If that impossible he thought friendly high level approach US-UK to parties concerned with indication readiness find solution outside UN would be best way avoid thoroughly bad situation now threatening. He said such approach was best way to deal with Nehru.

Munshi intimated that GOI would still accept solution giving Jammu to India through partition and providing acceptable means for conducting plebiscite in vale. Striking point was that India could not accept plebiscite proposal for vale which left military forces of Pakistan, the aggressor, where they are and required India, the injured party, to withdraw its army. No way to meet Indian sensibilities this point had yet been proposed.

My impressions of above are that Munshi: (a) Chiefly concerned lest debate Kashmir resolution might interfere favorable action US food grant legislation and (b) Might have been put up to making this approach by Cabinet colleagues. He was given no intimation that conversation would be reported.

STEERE

330/3-251 : Telegram

*The Acting Secretary of State to the Embassy in India*¹

CONFIDENTIAL PRIORITY WASHINGTON, March 2, 1951—7 p. m.

1395. In event GOI officials approach Emb re SC Kashmir res, fol Dept views may be of use.

US deeply disappointed GOI reaction present SC efforts further solution Kashmir issue.² Res tabled Feb 21 represents what we believe to be best method by which SC can assist parties reach fair agreement. Although we understand GOI concern at not being consulted before hand with respect res, we were dissuaded from discussing res before tabling with either India or Pakistan because of previous difficulties encountered when efforts were made along these lines.

US notes Rau statement in SC to effect Constituent Assembly under Kashmir national conference res is not intended prejudice issues before SC, or come in way of SC. We assume Rau spoke for Sheikh Abdullah

¹ Repeated as telegram 4010, to London, 549 to Karachi, and 756 to New York.

² For the text of remarks made before the Security Council by the Indian Representative concerning the draft resolution of February 21, see Security Council document S/PV. 533.

Govt and that in this connection GOI authority re Kashmir is not limited to advisory role mentioned later in Rau speech.

In absence concrete GOI suggestions re future course US unimpressed by Rau intimation SC could do worse than follow Dixon advice to return initiative to parties in dispute. History Kashmir dispute since ceasefire has revealed apparent inability parties make any constructive proposal.

We believe GOI shld offer SC specific detailed suggestions for demilitarization and conduct plebiscite with specific dates for completion both. It is not in our opinion enough for GOI state it willing rest on its commitments contained Aug 48 and Jan 49 res. Such attitude overlooks unsuccessful efforts implement broad principles set forth these two UNCIP res. These efforts since Jan 49 have been made by UNCIP, McNaughton, Dixon, and Commonwealth PriMins. GOI position appears dispose of two years experience attempting resolve issues posed by implementation UNCIP resolutions. At minimum, SC shld know what GOI considers details necessary implement these res.

US hopes GOI will give every consideration to SC efforts bring about settlement this issue. We emphasize our suggestions motivated by sincere desire help both parties reach mutually acceptable settlement dispute.

WEBB.

357.AB/3-351 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL

LONDON, March 3, 1951—2 p. m.

4755. According Olver, UK position on choice UN representative for Kashmir has now received Prime Minister's approval and will be conveyed in telegram British Embassy Washington today for discussion earliest with Department. Embassy gathers UK will say it less hopeful than we Bunche will be acceptable to Pakistanis but that after careful review other possibilities, there is no suitable candidate. UK prepared suggest as alternative. UK does feel, however, Department should take preliminary soundings on likelihood Bunche acceptable to Pakistanis and if their reaction violent, position should be reviewed. With this in mind, UK would be willing for Department ascertain whether Bunche might be available.

CRO officials downcast by Rau's attack on UN resolution but there are certain individuals within CRO and Foreign Office with personal experience Indian temperament who say Indian reaction no more than might have been expected and similar intransigent stand certain occasions previous history UN consideration Kashmir dispute. These.

individuals believe SC should continue with deliberation resolution as planned and try to get UN representative to Kashmir as soon as possible.

Department pass USUN. Repeated info New Delhi 148, Karachi 81, USUN 76.

GIFFORD

357.AB/3-551 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET

Moscow, March 5, 1951—11 a. m.

1611. Deptel 542 February 28.¹ Silence of Soviet press to date on SC meeting February 21 and US-UK resolution on Kashmir not surprising view past failure Soviets take active part in SC proceedings re Kashmir and relatively limited comment on subject in Soviet press since issue arose in 1947. Such articles as have appeared in Soviet periodicals and other media have invariably depicted Kashmir dispute as stemming from machinations of Anglo-American "imperialists" who while both interested in utilizing Kashmir as military base against USSR are at same time vying with each other for supremacy over the area. Soviet has thus deliberately soft-pedaled purely Indo-Pakistan character of dispute and attempted create impression that Anglo-American interests are encouraging continuance Indo-Pakistan struggle over Kashmir with view keeping two countries under imperialist yoke.

Kashmir developments from February 21 to date (formal US-UK initiative in SC, provisions of resolution re possible introduction UN forces into Kashmir and reported GOI rejection of resolution on grounds India cannot permit entry foreign troops) certainly afford Soviets excellent opportunity for further propaganda along foregoing lines. Failure Soviet press thus far utilize these developments may arise from fact that world peace council sessions Berlin, which also began February 21, have been dominant Soviet press topic during past week.

Reticence Soviet press this subject also reflection of basic early decision by Soviets not to alienate either Indians or Pakistanis by taking any concrete position on future status Kashmir and to let onus fall on US and UK for almost inevitably unpopular character in one

¹ Telegram 542, to Moscow, February 28, relayed telegram 1197, from the U.S. Mission at the United Nations, February 27 (357.AB/2-2851). In this telegram the Mission requested the comment of the Embassy in the Soviet Union on possible reasons for the absence of discussion in the Soviet press on the Security Council meeting of February 21 and on the U.S.-U.K. draft resolution on Kashmir. The Mission also requested comment on the probability and nature of any Soviet attempt to make an issue of the Kashmir question in future meetings of the Security Council. (330/2-2751)

country or another of a given territorial decision. Wisdom of such policy must have been confirmed in Soviet minds by fact that Kashmir problem has indeed become major irritant in US-UK relations with both Karachi and New Delhi (Soviet policy re Palestine in past two years obviously formulated on same premises and with similar consequences).

Embassy inclined view that in future meetings SC on Kashmir Soviets will continue take backseat and let US and UK "hang themselves" over this explosive issue. If Soviets should contrary to this prediction decide take active part in dispute at this stage, they would almost certainly adopt pro-GOI position though for reasons given Delhi's 103, January 23 (1950),² they would probably prefer weak, independent Kashmir to either partition or accession of entire state to India or Pakistan. A pro-Indian position would be calculated encourage GOI neutralism on world scene and at same time embitter GOP relations with US and UK by making it even more difficult for latter "to deliver the goods" on Kashmir. Soviets must be aware that Pakistan public opinion so intense on Kashmir that failure GOP achieve favorable settlement may undermine present Karachi regime and thus create better prospects for eventual Commie revolution in Pakistan. Soviets may feel too that while solution favorable to GOI would not appreciably bolster internal GOI stability (since Kashmir not widespread popular issue in India), nevertheless Indian Commies and associated elements would be able capitalize on friendly support by Soviets of this aspect Nehru's foreign policy. Within Kashmir itself opportunities for Commie penetration would be better under GOI-supported Sheikh Abdullah regime than control by present GOP. On other hand, pro-GOI stand would have immediate, though perhaps short-lived unfavorable repercussions for Soviets in Pakistan and would also entail losses in Moslem Near East at time when Soviet influence on upgrade in that strategic region.

Whatever tactics Soviets choose follow, we may be sure they will not encourage or support constructive proposals aimed at a solution acceptable to both parties and conducive to greater stability in SOA. Advantages to Soviets of indefinite prolongation of tension between GOI and GOP must be presumed dominate any Kremlin approach to Kashmir problem.

Repeated info USUN 250, Delhi 54, Karachi 20, London 287.

KIRK

² Telegram 103 from New Delhi, January 23, 1950, contained an analysis of an article which appeared in the January 6, 1950 issue of the Indian communist organ *Crossroads*, entitled "Imperialist Aggression in Kashmir." The Embassy believed that the article was prepared on the basis of instruction from Moscow and that it would therefore assist in understanding the objectives of the Soviet Union in the forthcoming Security Council discussion of Kashmir. (357.AB/1-2350)

357.AB/3-551: Telegram

*The Acting Secretary of State to the United States Representative at the United Nations*¹

CONFIDENTIAL PRIORITY WASHINGTON, March 5, 1951—1 p. m.

760. Brit Emb informed Dept Mar 3 UK prepared accept Bunche provided US able prevail upon Pak agree his selection. Although we wld have preferred avoid seeking reaction parties selection candidate we believe interest moving ahead preferable accept UK suggestion. We suggest Gross approach Bunche informal basis and ascertain his availability, pointing out: (1) great importance UK, US attach early settlement Kashmir dispute which is retarding econ social progress both countries and preventing estab stable conditions important area Asia and world; (2) Pres had Bunche in mind (on Secy's recommendation) when he informed Pak FonMin Feb 14 US wld offer one of its most distinguished cits for role UN repr; (3) Dept believes Bunche has qualifications which make him eminently suited this difficult task and chances successful negots wld be greatly enhanced by his taking on this role; (4) Despite initial Indian reaction UK-US Res we hope further SC consideration will lead to situation in which appt UN repr of person such outstanding qualifications as Bunche would offer hope of progress.

WEBB

¹ Repeated for information to Karachi as telegram 550, to New Delhi as 1405, and to London as 4018.

357.AB/3-851: Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

CONFIDENTIAL PRIORITY NEW YORK, March 8, 1951—6:08 p. m.

1245. Re Kashmir. At Muniz's¹ (Brazil) request a talk was arranged in his office this morning to discuss amended draft he has tentatively drawn up as consequence of conversations he had yesterday with Rau and Zafrullah. (See immediately following telegram for text).² Meyers (UNP), Collins (SOA) and Maffitt³ (USUN) accompanied me. Muniz had Ouro-Preto⁴ and Araujo Castro⁵ with him.

Muniz said Rau had sought him out in delegates' lounge yesterday and had indicated India's preoccupation over its partition problems

¹ João Carlos Muniz, Permanent Representative of Brazil to the United Nations.

² Telegram 1246 from New York, March 8, not printed. Details of discussions on amendments to the U.S.-U.K. draft resolution are in file 357.AB.

³ Edward P. Maffitt, Adviser to the U.S. Mission to the United Nations.

⁴ C. S. de Ouro-Preto, Adviser, Brazilian Delegation to the United Nations.

⁵ J. A. de Araujo Castro, Adviser, Brazilian Delegation to the United Nations.

and its desire to get Kashmir question off its mind. Muniz said Rau had appeared worried, had given impression that GOI was feeling weight of adverse opinion on its Kashmir stand and was also feeling weight of Pakistani military strength along cease-fire line. Rau had almost seemed "as if he were putting himself in my hands", Muniz said. In view of Rau's demeanor, Muniz rather thought that time might be propitious for action at long last to resolve Kashmir problem.

Rau's main point with Muniz had been that if India and Pakistan were left alone to settle dispute, India felt sure agreement would be reached. During his conversation with Rau, Muniz said he had brought up point of constituent assembly. Rau had reacted against any mention being made of it in resolution, as offensive to India. His remarks at table March 1st had been sufficient assurance on that score. Muniz then had idea of proposing to Rau that if certain features unacceptable to India were struck from resolution, Nehru might make statement to effect India would negotiate with another UNRep. Rau had not rejected this. Question of whether arbitration would be left in resolution had not been mentioned.

Muniz said that after council meeting Zafrullah had sought him out to discuss Kashmir and had appeared receptive to his general ideas for amending resolution, which were developing from Rau talk. Muniz told Zafrullah Rau had shown anxiety over situation created by dispute, with India "bleeding" from partition and emotions running high. Muniz felt Rau had a point there.

Muniz seemed to us very interested in possibility of his getting something done with this new lead and was optimistic over prospects. While encouraging him and commending his statesmanship in taking this initiative, we sought to point out some of gopher holes ahead of him. Commenting on his tentative draft, I said two main points seem to emerge in connection with it: Constituent assembly and arbitration. I said that Pakistanis had asked SC take action to prevent establishment of constituent assembly and that to date Rau's assurances that assembly would not deal with accession were not clear. Much depended, of course, on what Rau would say Friday on this score, but in any case something had to go into record through resolution showing council's feelings on subject. As for arbitration, this was one of principal points in resolution that constituted an advance over previous three years negotiations and should remain, as Brazilian draft contemplated. We pointed out year and half ago when India rejected President Truman's and Prime Minister Attlee's arbitration suggestion, it had said that disarming and disbanding of Azad forces was matter not for arbitration but had to be settled as prior condition and that India, while subscribing to principle of arbitration which was in charter, could not agree to step without knowing in advance what points would be arbitrated. In this connection, we said India's

position on Azads was based on their thesis that accession had been completed and Kashmir was part of India. We said US does not subscribe to this, but feels that accession to either party will not be completed until fair and impartial plebiscite carried out. We cautioned that Muniz bear this in mind when talking again to Rau on subject.

We also said that statement from Nehru simply that GOI would negotiate with UNRep would not be sufficient for Pakistanis, since it would permit Indians to adopt same position on arbitration as it had in 1949. We felt that another exercise of mediation without this further step provided for would be little more than a fourth round of activity which had three times failed.

As an indication of what the Brazilians were thinking, Ouro-Preto, in an aside, said that it was "as plain as nose on your face" that India knew plebiscite would give state to Pakistan and therefore had sabotaged all efforts to implement over-all commitment.

In summing up I added that members of SC should keep in close touch and try to work out constructive proposal, but that it would seem unwise to get into negotiations here with parties. This should be task of UNRep on the spot.

I further said that question of Communism entered into the matter, since Russians had indicated they were thinking of independence as solution and since Yugoslavs who were friendly to India had their own interest in matter and were thinking of making some suggestions for SC mediation in NY. I said UK had strong Commonwealth interest in case and was taking lead in present round. We were naturally endeavoring to assist them and Commonwealth and were keeping in mind that this could to some degree become Commonwealth-Communist issue.

Muniz indicated he would be talking further with two parties and would keep us informed of results.

GROSS

891.2311/3-1051

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

CONFIDENTIAL

[WASHINGTON,] March 10, 1951.

Subject: Possible Unfavorable Effects of US Provision of Wheat to India¹

Participants: Mr. Mohamad Ali, Secretary-General, Government of
Pakistan

SOA—Mr. Mathews

Mr. Gatewood

¹ For documentation on the provision of wheat to India, see pp. 2085 ff.

In the course of today's conversation concerning the proposed UN resolution on Kashmir, Mr. Mohamad Ali referred to the considerable drain on the Indian economy resulting from the maintenance of troops in Kashmir and pointed out that this drain particularly affected the Indian transportation system, the volume of petroleum and automotive imports, and the Indian budget. He said he did not intend to suggest that the US fail to provide the wheat requested by India (either on a gift or loan basis) and that he understood it might be considered "heartless" to attach any political conditions to this transaction, such as the settlement of the Kashmir issue; however, he emphasized that the continued existence of the dispute was forcing Pakistan to maintain a high level of defense expenditure and he expressed the hope that the US would utilize its influence to impress on India the need for devoting its resources to constructive purposes which would bring about peace and prosperity on the subcontinent as a whole.

Mr. Mathews said that the Department had been aware of this need ever since partition and, after complimenting Mr. Mohamad Ali on the effectiveness of Pakistan propaganda in the US directed against the proposed US gift of wheat to India, reminded him that some of these Pakistan arguments might later be used in Congress to oppose the fulfilment of "other desires" of this type that might be expressed by South Asian countries.

Mr. Baig pointed out that his Government had expressed no wish for US aid economic aid and the conversation turned to other matters.

357.AB/3-1251 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

CONFIDENTIAL

NEW YORK, March 12, 1951—7:29 p. m.

1264. Re Kashmir. Zafrullah and Mohamed Ali called this morning at former's request to discuss substance and procedure of SC action now that both parties have been heard from. Their main points were the constituent assembly called for by the Kashmir national conference, and the problem of implementing the details of UNCIP resolutions.

Re constituent assembly, Zafrullah said he hoped SC would make clear that assembly should not be called. He feared that GOI would claim afterward that it was freely elected, UN not having objected to its creation, and that therefore nothing further regarding a plebiscite was necessary to enable people to express will regarding accession. I remarked that undesirability of such development was quite obvious. Mohamed Ali thought constituent assembly would, if necessary, later claim right to pass on accession. I said this point could be

taken up in re-framing of resolution, which action we believe will be necessary. The thing was to determine whether this point was among items of "irreducible minimum" beyond which present draft resolution could not be cut. I pointed out, however, that I had had no time to talk with Jebb and I expressed hope Zafrullah would understand. I could say nothing further at this time regarding possible future action on this point.

Zafrullah's principal argument with regard to implementation problems was that the points in disagreement were political, or technical, not legal. GOP therefore felt that outstanding figure as UN representative would furnish more effective pressure in interpreting how resolutions should be carried out than would judicial person or tribunal. Mohamed Ali said that if questions were of legal character ICJ would carry much greater weight, but since they were of political nature, pronouncement of eminent figure such as Nimitz would have more weight than court or other legal body. I pointed out that Nimitz is not available for UN representative job and further that interpretation of contract is traditionally left to courts. Nimitz being unavailable, I said there might be difficulty in getting man with all qualifications required and it might be better to have tribunal as second string if US representative failed.

Zafrullah said that remedy is needed for what has become "clear GOI pattern of obstruction" of details of implementation and that US representative must have arbitration or interpretation powers, otherwise he would be back in June or July with no result, as in the past UNCIP Dixon returned to report failure. If this happened Zafrullah said, he did not know what else GOP could say to its people to justify lack of solution of Kashmir problem.

Emphasizing that I was merely discussing and not advocating any view at this time, I asked whether there was any advantage in treating UN representative as SC executive and reserving judicial role to some sort of tribunal. Wouldn't ICJ under the circumstance have more authority than UN representative under Pakistan's suggestion? Zafrullah admitted that in some cases perhaps this would be true, but returned to argument that questions over Kashmir being political, UN representative would be in better position to make interpretation. Furthermore, since Indian agreement was called for in resolutions, progress would be stymied at once, whereas if UN representative might interpret points at issue we would at least get to show-down without delay necessitated by his going through exercise of seeking agreement. Mohamed Ali added that while this process would delay UN action, matters would nonetheless be marching (Kashmir constituent assembly, Pakistan restiveness, et cetera) and anyway final court decision might be so lengthy and intricate as to confuse clear issue of Indian obstructionism.

I inquired whether Pakistanis agreed to deletion of details, which I did not specify, up to irreducible minimum. Mohamed Ali replied in affirmative.

Zafrullah then asked what our over-all timetable or procedure was. We replied UK and we are not thinking of negotiations with parties or *rappporteur*, but rather of proceeding with resolution, suitably amended. We thought that if we agreed with British today or tomorrow on amendments, we could seek usual member's support thereafter and possibly present amendments Thursday.¹ However, since other members seem to have ideas, we did not know whether such tentative deadline could be made or who might be putting in amendments. We were only speaking for ourselves and for what we knew of British position. Zafrullah indicated satisfaction with this and counselled care in proceeding to presentation of amendments. If more time was needed in order to work out greater support and best resolution, Pakistanis would not mind few more days delay after so many years.

GROSS

¹ March 15.

357.AB/3-2151 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

CONFIDENTIAL PRIORITY NEW YORK, March 21, 1951—3:15 p. m.

1311. Re UN Representation—Kashmir. Pursuant to Deptel No. 760, Mar 5, I approached Bunche Mar 20 (upon his return to town) on informal basis to ascertain his availability, making points outlined in reftel. I also discussed with him frankly questions he raised concerning probable attitude of parties toward him, our estimate of likelihood of success or of progress, etc. Bunche says he is willing to serve if we think he can be useful.

Subsequently I obtained SYG Lie's approval and at my request Lie talked to Bunche.

The matter is now clear from this end and Dept can feel free to act on basis that Bunche has accepted with Lie's approval.

GROSS

357.AB/3-2251 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

CONFIDENTIAL NEW YORK, March 22, 1951—7:33 p. m.

1321. Re Kashmir: Zafrullah and Mohammed Ali, Jebb and Fowler, and Maffitt and Gross met in UKDel office this morning to discuss

Bunche. Zafrullah outlined three reasons why Bunche is unacceptable to his country: (a) he is thought to be too devoted to Nehru, as champion of colored races, (b) his mediation efforts in Palestine¹ were designed to result in establishment of Israel as state, and (c) as a UN figure he has less prestige in this matter than if he were outstanding in American national life.

Zafrullah pointed out these objections have been on record with Dept for a year. He referred to talk he had with McGhee in 1950 shortly prior to appointment of Dixon and to his recent talk with President and Secretary. On latter occasion he had felt President had Bunche in mind, although no name was mentioned, and had attempted, without openly alluding to him, to make clear Pakistanis' deep objection to him. He also recalled that on same occasion President had indicated list would be prepared from which suitable candidate could be chosen. Despite this commitment, we had pressed on with Bunche in face of known Pakistan position, and it appeared to Zafrullah that we may have given thought to no one else. We assured him that this was not the case, but that Bunche's qualifications were so high and he seemed so uniquely suitable that we had selected him. It was now obvious that we had not accurately gauged the depth of the Pakistan feeling re him; in fact, from Zafrullah's demeanor on March 19 Gross and Jebb had concluded Paks would accept him. Zafrullah agreed that there had been a misunderstanding and he hoped he had not contributed to it in his conversation on March 19.

In discussing our reasons for preferring Bunche, Gross stressed that the British and we are not insisting on pushing any particular person, but simply want to get the best man for the job. He pointed out that the decision ultimately is up to the Security Council, and other members will have to be consulted and make up their minds. He said that in our effort to produce a suitable candidate we had two possible methods to choose from: to depend on the assent of both parties, or to confine consultations to Council members and proceed to a selection without giving the parties a voice in it. We had tried to take a middle course, avoiding arbitrariness but at the same time not leaving ourselves open to a veto from one of the parties.

Regarding Bunche's qualifications, Gross said it was precisely his UN status that gave us confidence he would enter case with strong bias in favor of making plebiscite possible. His UN training would see to that. We could not know that same would be true of a person without Bunche's background. Dixon, for example, had given up overall plebiscite idea and had proposed compromise. Gross also thought that Zafrullah in his objections might be confusing deep seated mental

¹ Mr. Bunche had formerly served as U.N. Acting Mediator on Palestine, 1948-1949.

reservations with initial reaction on announcement of Bunche's appointment. Perhaps Bunche would have the greater success at end for having begun under the initial handicap pointed out by Zafrullah. Gross was sure Bunche's honesty and loyalty to UN would vindicate Council's judgment if it chose him. Furthermore, there was great advantage in having India cordial to a UN rep who, for our part, we were certain would be scrupulously fair.

Jebb inquired whether Pakistan would still oppose Bunche if India indicated it would accept the resolution so long as Bunche was UN rep. Zafrullah's first reaction was that this hypothetical attitude by India would indicate that India felt Bunche would favor it. In that case, perhaps, Pakistan would endeavor to dispense with intermediate three months exercise and try for immediate arbitration. Later Zafrullah betrayed the suspicion that Jebb's question denoted deal whereby we would try to force Bunche on him by dangling bait of Indian acceptance of res. We attempted to disabuse him of this suspicion. Gross wondered what importance India's knowing of our preference for Bunche would have if Bunche not chosen. Mohammad Ali thought it would be of little importance since last year when Bunche's name also was prominently mentioned, Indians had accepted Dixon.

Zafrullah seemed to feel that we were inconsistent in bowing to India's veto of Nimitz last year while attempting to force on Pakistan a man against whom Pakistan had registered opposition fully year ago. He finally summed up his position by saying that he had been hoping to see acceptable UN rep named, had once again stated his govt's views, and would continue to entertain hope for suitable rep.

Jebb and Gross said more thought must be given to the matter.

Before meeting broke up there was discussion of Pakistan reaction to high ranking military adviser if Bunche named. Zafrullah seemed to assume such adviser would be Gen. Courtney Hodges² and to our surprise said Lie yesterday had told him Bunche was going out with Hodges as his adviser. We manifested further astonishment. Gross finally summed up our position saying question is whether Bunche is a good man for job or not; if he is good, SC problem is to weigh his qualifications against objections cited by Pakistan and endeavor to decide on his suitability. Jebb concurred. Mohammed Ali felt the problem was not to debate merits of an individual, but to select an individual who will fit the bill.

After Pakistanis left, there was discussion with Jebb in which he wondered whether we might turn to other American. He read from

² U.S. Army, retired; former Commanding General, First Army, 1944-1949.

list including such men as Vannevar Bush,³ Gen. Clay,⁴ Sumner Wells,⁵ Norman Armour,⁶ Harold Stassen.⁷ Gross and Maffitt countered with suggestion that some outstanding Commonwealth man be picked such as Alexander Cadogan.⁸ Jebb said he would report developments to his FO and include this suggestion, but he understood that UK policy was not to have Commonwealth member. Gross pointed out that up to now two Commonwealth men had been utilized and had done well.

If Zafrullah cares to lobby against Bunche among members he will do it well and we might not be able to put him over. It may be that he is play acting lest Indians think Pakistan wants Bunche. Also, he may not have given sufficient thought to consequences if we lose UN rep who very probably has cordial GOI sympathy. However USUN is inclined to feel that he is sincere in his perturbation and has thought matter through. He seems to lay great store by President's oral assurance that several Americans will be suggested for job, and if, as Mohammed Ali alleges, President also put this in writing to Liaquat, we frankly see no way to honor our commitment, if Zafrullah insists, except by producing someone else. The best we can do at this moment would seem to be to arrange, if possible, for the SC members to try to convince Pakistanis appointment of Bunche is to Pakistanis' own interest. If this fails, or if we conclude that circumstances cited by Zafrullah outweigh Bunche's qualifications, we seem committed to looking elsewhere, in the US.

AUSTIN

³ President, Carnegie Institution of Washington.

⁴ Gen. Lucius Clay, U.S. Army, retired; former Commander in Chief, U.S. Forces in Europe and Military Governor, U.S. Zone of Occupation in Germany, 1947-1949.

⁵ Former Under Secretary of State, 1937-1943.

⁶ Ambassador to Venezuela.

⁷ President, University of Pennsylvania.

⁸ British Permanent Representative to the United Nations, 1946-1950.

357.AB/3-2351: Telegram

*The Secretary of State to the Embassy in Pakistan*¹

SECRET

WASHINGTON, March 23, 1951—7 p. m.

PRIORITY NIACT

601. USUN advised Dept Zafrullah, Mar 21, expressed strong opposition Bunche UN Rep Kashmir when told now possible designate

¹ Repeated for information to London as telegram 4328, to New Delhi as 1540, and to New York as 808.

him per agreement with Syg and Bunche. In view USUN and UKDel understanding evening Mar 19 Bunche not entirely unacceptable to GOP, Dept surprised strength Zafrullah reaction. You are requested make immediate inquiry and report basis this reaction pointing out fol:

1. Probability press leak re Bunche appointment impelled USDel inform Indians re proposed designation same time Zafrullah advised. Consistent with Pres's promise to Liaquat, we wld if necessary submit another American for nomination. However, in view unexpected strength GOP reaction, we wld have to give very careful consideration next person so named. This, obviously, might cause delay appointment UN Rep and GOP has said time of essence in dealing with dispute.

2. Moreover, we desire remind GOP it was Pak principle neither party have veto over selection UN Rep. However, in view Zafrullah's objection Bunche, we believe we must consider GOI as well as GOP reactions when we tell parties our next preferred UN Rep nominee. This may also result additional delay.

3. US believes Bunche best possible choice and has gone considerable lengths persuade him accept post. We believe strongly Bunche's objectivity; feel suspicion possible anti-Moslem or pro-Indian prejudice unfounded. US prepared inform Bunche GOP has objected to him as UN Rep, believing that then Bunche wld wish withdraw his name. Before speaking to Bunche, we wish GOP know our intent and desire obtain their reaction. We wish point out that if GOP continues desire withdrawal Bunche's name, we will approach him with greatest reluctance and with belief his withdrawal is profound mistake, not in Pak's best interest.

4. If GOP case re Kashmir as good as claimed, GOP shld be prepared press case with designated UN Rep of established qualifications. In our opinion, GOP reaction Bunche may prejudice their case, particularly because GOI will surmise withdrawal Bunche's name result GOP objection.

USDel instructed make somewhat similar approach Zafrullah.²

ACHESON

² Telegram 879, from Karachi, March 25, reported that the substance of telegram 601 had been given to Mohammad Ikramullah, Secretary of the Ministry of Foreign Affairs and Commonwealth Relations, Government of Pakistan, who in turn communicated it to Prime Minister Liaquat. In response, the Prime Minister reiterated that Mr. Bunche was not acceptable to the Government of Pakistan under any circumstances. The Embassy reported its belief that Liaquat's position was based above all on his estimate of probable public reaction should Bunche be named U.N. Representative. (357.AB/3-2551)

UNP Files : Lot 59 D 237

Memorandum by the Assistant Secretary of State for United Nations Affairs (Hickerson) to the Acting Secretary of State

CONFIDENTIAL

[WASHINGTON,] March 27, 1951.

Subject: Availability of Frank P. Graham¹ as UN Representative for Kashmir Dispute

1. Because the President had appointed Admiral Nimitz to be Chairman of the U.S. Commission on Internal Security and Individual Rights, on February 16, 1951 the President replied to a letter from the Prime Minister of Pakistan, Liaquat Ali Khan, stating that we would suggest Americans other than Admiral Nimitz as nominees for the position of United Nations Representative in the Kashmir dispute (Tab A).² Pakistan had pressed the President to make available Admiral Nimitz for the position envisaged in the draft resolution (Tab B) jointly presented to the Security Council by the United Kingdom and the United States, and revised March 21, 1951.³ The UN Representative, under the terms of this resolution will be responsible for effecting demilitarization of Kashmir preliminary to a plebiscite, or of obtaining the parties' agreement to a demilitarization plan, within three months from the date he arrives on the subcontinent.

2. Pursuant to this understanding we had proposed Ralph J. Bunche as the best American candidate for this position of UN Representative. The United Kingdom agreed to Dr. Bunche, provided that he was acceptable to the Government of Pakistan. The Government of Pakistan flatly rejected Dr. Bunche on March 24, because of his association with the Palestine dispute and because the Pakistanis regarded him as too friendly to Prime Minister Nehru of India. Since the President promised to suggest "certain names" to act in Admiral Nimitz' stead, we must present other American candidates.

3. It is our belief that Dr. Frank P. Graham is the outstanding candidate, in the light of his standing and particularly his contribution to the solution of the Indonesian question. Since Dr. Graham has just recently received an important assignment in the Department of Labor, we believe that he would be reluctant to consider the position of UN Representative unless released by the President. In view of your relationship with Dr. Graham and the urgent importance of the

¹ Defense Manpower Administrator, U.S. Department of Labor; formerly President of the University of North Carolina (1930-1949), U.S. Representative on the U.N. Security Council Committee of Good Offices on the Indonesian Question (1947-1948), and Senator from North Carolina (1949-1950). Dr. Graham was appointed U.N. Representative for India and Pakistan by the Security Council on April 30 (S/PV. 543).

² Not printed.

³ For the text of /2017/Rev. 1, as adopted by the Security Council on March 30, see p. 1758.

Kashmir problem to the peace of the Indian subcontinent, we request that, if you approve, the matter be taken up with the President at an early opportunity, to the end that Dr. Graham may be available for this vital post for a period of approximately 3 or 4 months.

Recommendations:

1. That the matter be taken up with the President at the first opportunity.
2. If the President is agreeable, that Dr. Graham be approached and urged to accept this assignment.

357.AB/3-2851

Memorandum of Conversation, by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs

CONFIDENTIAL

[NEW YORK,] March 28, 1951.

US/S/1718

Subject: Kashmir

Participants: Mr. B. L. Sharma, Indian Delegation
Frank D. Collins—SOA
Howard Meyers—UNP

We saw Mr. Sharma at New India House. We opened the conversation by stating we wished to continue our informal discussions on Kashmir, as suggested by Mr. Sharma when we last met.

Mr. Sharma referred very bitterly to Sir Gladwyn Jebb's remarks during the March 21 Security Council meeting, saying that he had cast aspersions on India's intentions in permitting convocation of the Kashmir Constituent Assembly. We remarked that we had noted Prime Minister Nehru's recent statement at Agra, when he had declared that India's position had either been misunderstood or deliberately misrepresented by the United Kingdom and the United States Representatives to the Security Council. We said we thought it was unfortunate that Mr. Nehru had expressed himself so strongly when it had not been UK or US intention to challenge India's motives, but, on the contrary, to point out that the actions of the Kashmir National Conference—when taken in conjunction with various statements about their legal position vis-à-vis India—presented a confusing picture which we thought should be clarified by a definite Indian statement that the Government of India would not permit the Kashmir Constituent Assembly to take action which would prejudice the issue before the Security Council.

When Mr. Sharma insisted that the Government of India could not prevent the people of Kashmir from expressing their opinion about the question of accession, Mr. Meyers suggested that there were two

good legal analogies which indicated that the Government of India might well prevent the Constituent Assembly from expressing an opinion on the question of accession and, at least, should lead India to declare that it would not permit action by the Kashmir State Government which would interfere with the issue before the Security Council. The first analogy was that of a jury, which, before the trial began, could not declare its opinion in regard to the issue concerning which it was the trier of fact, since this would prejudice the jury's decision. The second analogy was that in which the title to property is in dispute and an injunction is issued forbidding action which might interfere with the ultimate determination of title. Obviously, if the Kashmiris, acting through the Constituent Assembly, expressed their "opinion" about accession, this expression could well influence them when the time came to vote in the plebiscite. Mr. Sharma seemed to admit some validity in these analogies, but insisted that Sir Benegal Rau's statements concerning the inability of the Kashmir Constituent Assembly to issue more than an "opinion" on the subject of accession were sufficient guarantees of the Government of India's good intent in this situation. He also said that, while India viewed the plebiscite question as whether Kashmir should remove itself from India (accession having already occurred), India's international commitment under the UNCIP resolutions was in terms of settling accession to either India or Pakistan by a free and impartial plebiscite under UN auspices. Consequently, Sir Benegal Rau had not meant to suggest that the question put to the people of Kashmir during the plebiscite be phrased other than "do you wish to accede to India or Pakistan?" Theoretically, the question could be asked if Kashmir should be independent, but the Government of India would undoubtedly not like this.

Mr. Collins pressed strongly for an Indian statement of willingness to accept the amended resolution. Mr. Sharma replied that India could not support the entire resolution. He added that the Delegation had just received their instructions, as follows:

a) The Government of India could not accept the paragraphs in the Preamble which referred to the Kashmir Constituent Assembly; nor could they accept the operative section clause calling upon the parties to arbitrate unresolved issues as formulated and reported by the UN Representative.

b) The Government of India would accept that part of the resolution directing the UN Representative to proceed to the sub-continent, and would, of course, cooperate fully with the UN Representative.

We urged Mr. Sharma to see if it were not possible for the Indian Government to acquiesce in the arbitration proposal, pointing out that it was no more than a logical step in the development of this case. While it was true that it went beyond the two UNCIP resolu-

tions, it was a proper step forward if the Kashmir dispute were to reach a speedy and reasonable settlement. Mr. Sharma argued this point strongly, saying that India did not object to arbitration in principle, but simply could not agree to be bound in advance to arbitrate all issues remaining unresolved at the end of three months of negotiations by the UN Representative. He suggested it would be better to provide that the UN Representative report to the Security Council those matters which the Representative regarded as fit subjects for arbitration; that the Security Council should consider this report and determine which of these issues were proper subjects for arbitration; that the Council should then recommend to the parties that these issues be arbitrated.

Mr. Collins remarked that the development of the case indicated quite clearly now what issues would most probably remain unresolved and thus be the subject of arbitration. Consequently, he strongly suggested the advisability of Indian acceptance of the arbitration provision in the amended resolution. However, Mr. Sharma replied that the Indian Delegation's instructions left no room for compromise on this point. He hoped that the UN Representative, whoever the Representative might be, could be successful, and pointed out that the present Security Council discussions on the Kashmir dispute had at least served the valuable purpose of clearing the air of misapprehensions and of returning to the August 1948 and January 1949 UNCIP resolutions.

Mr. Meyers took the opportunity to inform Mr. Sharma that Ralph Bunche had withdrawn his name as a candidate for the position of UN Representative and said that we were considering other possibilities, but had not reached any final conclusions. Mr. Sharma indicated no reaction to this news.

We also told Mr. Sharma that we anticipated there were sufficient votes to pass the resolution; that we expected three or four Council members, other than the United Kingdom and the United States, to speak about the resolution at tomorrow's Security Council meeting. Mr. Sharma thanked us for the information, and said that the Indian Delegation had always been most appreciative of the good relations existing between them and the US Delegation.

Before leaving, we returned to the question of the nature of the forthcoming Indian statement in the Security Council, urging that, if possible, Sir Benegal Rau adopt a moderate tone. Mr. Sharma again indicated that the Indian Delegation's discretion was circumscribed by the instructions it had received from New Delhi. He spoke most strongly against the statement made by Sir Gladwyn Jebb and said that New Delhi had sent the Delegation much information indicating British duplicity in the Kashmir dispute, but that the Delegation could not use the information because so much of it related to the

January meeting of the Commonwealth Prime Ministers, and was of a confidential nature which could not be disclosed. He said that India was conscious of the good intentions and fair-mindedness of the US, but it was most unfortunate that the US had associated itself with the UK in sponsoring this resolution, since the US would thereby be associated with the UK's statements and objectives.

We closed our discussion on a cordial note, expressing our appreciation for the frankness with which Mr. Sharma had spoken.

HOWARD MEYERS

Secretary's Memoranda : Lot 53 D 444

Memorandum of Conversation, by the Acting Secretary of State

CONFIDENTIAL

[WASHINGTON,] March 28, 1951.

MEETING WITH THE PRESIDENT, WEDNESDAY, MARCH 28, 1951,
3:15 P. M.

[Re:] Availability of Frank P. Graham as UN Representative for
Kashmir Dispute

The President indicated that he thought Dr. Frank Graham would be an excellent choice to handle the Kashmir matter mentioned in the attached memorandum,¹ and authorized us to discuss this with Secretary Tobin.²

When we left Secretary Tobin was waiting outside and I mentioned this matter briefly to him. He appeared quite reluctant to release Dr. Graham, and I left the matter on the basis that we would contact him to discuss the importance of the Kashmir assignment so that he could judge whether or not he could release Dr. Graham for this purpose.

JAMES E. WEBB

¹ Not printed.

² Maurice J. Tobin, Secretary of Labor.

*Resolution Adopted by the United Nations Security Council*¹

[NEW YORK,] March 30, 1951.

Having received and noted the report of Sir Owen Dixon, the United Nations Representative for India and Pakistan, on his mission initiated by the Security Council resolution of 14 March 1950;

¹ U.N. document S/2017/Rev. 1, approved at the 539th meeting of the Security Council, March 30, by 8 votes to none, with India, the USSR, and Yugoslavia abstaining. For the record of the meeting, see U.N. document S/PV. 539.

Observing that the Governments of India and Pakistan have accepted the provisions of the United Nations Commission for India and Pakistan resolutions of 13 August 1948 and 5 January 1949 and have re-affirmed their desire that the future of the State of Jammu and Kashmir shall be decided through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations;

Observing that on 27 October 1950 the General Council of the "All Jammu and Kashmir National Conference" adopted a resolution recommending the convening of a Constituent Assembly for the purpose of determining the "future shape and affiliations of the State of Jammu and Kashmir"; observing further from statements of responsible authorities that action is proposed to convene such a Constituent Assembly and that the area from which such a Constituent Assembly would be elected is only a part of the whole territory of Jammu and Kashmir;

Reminding the Governments and Authorities concerned of the principle embodied in the Security Council resolutions of 21 April 1948, 3 June 1948² and 14 March 1950 and the United Nations Commission for India and Pakistan resolutions of 13 August 1948 and 5 January 1949, that the final disposition of the State of Jammu and Kashmir will be made in accordance with the will of the people expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations;

Affirming that the convening of a Constituent Assembly as recommended by the General Council of the "All Jammu and Kashmir National Conference", and any action that Assembly might attempt to take to determine the future shape and affiliation of the entire State or any part thereof would not constitute a disposition of the State in accordance with the above principle;

Declaring its belief that it is the duty of the Security Council in carrying out its primary responsibility for the maintenance of international peace and security to aid the parties to reach an amicable solution of the Kashmir dispute and that a prompt settlement of this dispute is of vital importance to the maintenance of international peace and security;

Observing from Sir Owen Dixon's report that the main points of difference preventing agreement between the parties were:

(a) The procedure for and the extent of demilitarization of the State preparatory to the holding of a plebiscite, and

(b) The degree of control over the exercise of the functions of government in the State necessary to ensure a free and fair plebiscite;

² U.N. document S/819.

The Security Council,

1. *Accepts*, in compliance with his request, Sir Owen Dixon's resignation and expresses its gratitude to Sir Owen for the great ability and devotion with which he carried out his mission;

2. *Decides* to appoint a United Nations Representative for India and Pakistan in succession to Sir Owen Dixon;

3. *Instructs* the United Nations Representative to proceed to the sub-continent and, after consultation with the Governments of India and Pakistan, to effect the demilitarization of the State of Jammu and Kashmir on the basis of the United Nations Commission for India and Pakistan resolutions of 13 August 1948 and 5 January 1949;

4. *Calls upon* the parties to co-operate with the United Nations Representative to the fullest degree in effecting the demilitarization of the State of Jammu and Kashmir;

5. *Instructs* the United Nations Representative to report to the Security Council within three months from the date of his arrival on the sub-continent. If, at the time of this report, he has not effected demilitarization in accordance with paragraph 3 above, or obtained the agreement of the parties to a plan for effecting such demilitarization, the United Nations Representative shall report to the Security Council those points of difference between the parties in regard to the interpretation and execution of the agreed resolutions of 13 August 1948 and 5 January 1949 which he considers must be resolved to enable such demilitarization to be carried out;

6. *Calls upon* the parties, in the event of their discussions with the United Nations Representative failing in his opinion to result in full agreement, to accept arbitration upon all outstanding points of difference reported by the United Nations Representative in accordance with paragraph 5 above; such arbitration to be carried out by an Arbitrator, or a panel of Arbitrators, to be appointed by the President of the International Court of Justice after consultation with the parties;

7. *Decides* that the Military Observer group shall continue to supervise the cease-fire in the State;

8. *Requests* the Governments of India and Pakistan to ensure that their agreement regarding the cease-fire shall continue to be faithfully observed and *calls upon* them to take all possible measures to ensure the creation and maintenance of an atmosphere favourable to the promotion of further negotiations and to refrain from any action likely to prejudice a just and peaceful settlement;

9. *Requests* the Secretary-General to provide the United Nations Representative for India and Pakistan with such services and facilities as may be necessary in carrying out the terms of this resolution.

357.AB/3-3051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET

NEW DELHI, March 30, 1951—5 p. m.

2626. 1. We assume GOI opposition to Kashmir resolutions presented SC no surprise to Department since Embassy has repeatedly reported during last two years GOI not likely agree arbitration on any important phase Kashmir dispute. Thus far GOI has been less violent than we had expected against US and UK for supporting resolutions this kind. It is likely as our support continues denunciations will increase in shrillness and violence.

2. We believe GOI will continue register objections to any resolution looking toward demilitarization and plebiscite. Noteworthy that neither Nehru nor other GOI spokesmen have thus far undertaken discuss either draft resolution objectively. They have preferred resort to generalities and employ such broad arguments as Kashmir juridically and politically integral part India. In our opinion GOI convinced that if it entrusts outcome dispute to SC it wld eventually lose parts Kashmir now held by India. It therefore hopes SC will drop dispute and present temporary partition will gradually be accepted as permanent. We also believe GOI fears lack determination on its part resulting in weakening position India and Kashmir wld lower prestige Nehru in India and render Congress Party more vulnerable during electoral campaign of next autumn.

3. It seems to us that for US and UK to retreat in face Indian denunciations from position assumed after careful deliberation and after having foreseen Indian attitude wld indicate indecision and lack conviction. Retreat wld not increase respect for US, UK or UN in South Asia and wld render it more difficult for UN play any effective role re Kashmir in immediate future.

4. There is possibility that if present resolution shld pass SC despite GOI opposition GOI might receive mediator and might cooperate in other ways in execution of resolution but wld refuse accept part relating arbitration. We thus far refuse take seriously rumors obviously inspired GOI may withdraw UN if pressed too far.

5. Assume Dept also troubled re steps to take in case GOI eventually refuses accept recommendation or recommendations contained in resolution passed by SC. We regret we have no constructive suggestion offer this respect at this time. That bridge one to be crossed later. Nevertheless we believe that it wld be unfortunate for US fail support resolution which it considers offers fair solution merely because one or more parties to dispute may refuse live up to suggestions contained therein.

HENDERSON

690D.91/4-351

*Memorandum by Mr. Howard Meyers of the Office of United Nations
Political and Security Affairs*¹

CONFIDENTIAL

[WASHINGTON,] April 3, 1951.

Subject: Kashmir: Future Policy

1. Sir B. N. Rau's recent statements in the Security Council during discussions on the resolution adopted by the Council March 30, coupled with statements by Prime Minister Nehru, indicate quite clearly that India's minimum goal in Kashmir is to make the present cease-fire line a political boundary. It may be surmised that the GOI's median policy is to keep alive the Kashmir issue, as a means of weakening the position of the Government of Pakistan and threatening Pakistan's security; that India's maximum objective might be to use the Kashmir issue, among other disputes, as an excuse for an attempt to bring Pakistan territory within a Greater India. If this analysis is correct, the United Nations Representative, to be appointed by the March 30 Resolution, will be unsuccessful in accomplishing his task of effecting demilitarization or, at least, securing the parties' agreement to a demilitarization program within three months from the time he arrives on the subcontinent. The problem, then, is what should be our action after the UN Representative reports the failure of his mission.

2. The UK Delegation believes that the Security Council, at this stage, should develop a detailed statement of the exact way in which the Council believes demilitarization and a plebiscite should be carried out. The device which might be employed to work out this detailed statement was not suggested. Following adoption of the statement, the Council would cease suggesting other solutions or methods for arriving at a solution, on the basis that a detailed declaration of such Security Council ideas would provide maximum pressure on the Government of India to take a more temperate line and explore reasonable solutions. (See my conversation with Robert Fowler, US/S/1706, 20 March 1951).²

3. To my mind, implicit in this British suggestion is the possibility that the UK will be able, following such detailed statement, to turn to Pakistan and say that the UK has carried out its maximum responsibility as Senior Commonwealth Member to provide aid and guidance in attempts at settlement of the Kashmir dispute. The UK will also be able to give up its role of initiator in attempting to find

¹ Addressed to the Director of the Office of U.N. Political and Security Affairs (Wainhouse) and the Director of the Office of South Asian Affairs (Mathews).

² Not printed.

solutions for the Kashmir dispute in the United Nations. The dispute will continue; relations between India and Pakistan will worsen; and the United States will then be faced with the problem of deciding whether to adopt a different policy than the present one, including as a possibility the assumption of initiative hitherto exercised, however reluctantly, by the United Kingdom.

4. From the viewpoint of our national interest, as opposed to our international obligations, the Kashmir dispute is only one element in the greater problem of our relationship with India and Pakistan. In many ways, it provides the point at which our obligations as a Member of the United Nations, plus our honest evaluation of just solutions, affect most adversely our relations with India. I do not believe that we should abjure our international obligations in order to bring about better diplomatic relations with India. Moreover, bowing to Indian intransigence would materially harm our relations with Pakistan and with the Moslem world. In the long run, we must hope that the overwhelming Security Council support of UN Charter principles as the bases for solving the Kashmir dispute will cause India to realize that her actions in Kashmir are a short-term gain but a long-disability, in the light of loss of moral standing, continued Pakistan hostility, and diverting of attention from India's basic internal and external problems.

5. In the light of the analysis in the previous paragraph, I believe that we should accept in general the UK Delegation concept of the proper Security Council action at the next stage of the Kashmir dispute. However, I do not believe the Council should wash its hands of the dispute, after having presented in detail to the parties the Council's concept of the manner in which demilitarization and a plebiscite should be carried out. I think that we should provide some form of continuing mediatory machinery to take advantage of any weakening in India's adamant intransigence, and to be available for use by the parties in case either or both wishes to approach the other through UN means. This machinery could take the form of a United Nations Representative, with an indefinite term of office, who would report progress or lack of progress to the Security Council at specified periods. The very existence of such a representative of the Security Council would provide additional pressure upon the Government of India.

I do not believe that the United States should assume in the UN the initiative in proposing future action in this dispute. We have received very definite political benefits through the fact that the UK, ostensibly, is exercising the lead in the Security Council, and I think that we should exert as much pressure as possible to induce the United

Kingdom to retain this initiative. For the immediate future, once the Security Council has adopted the detailed statement envisaged and once the general mediatory machinery has been set up, there is not much initiative which would be exercised by either the United Kingdom or ourselves, except the initiative of patience.

690D.91/4-551 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, April 5, 1951—3 p. m.

2691. 1. Problem Kashmir arose during talk yesterday with Bajpai. I asked if he had further info re what India's attitude wld be towards those portions UN res to which it had no objection. He said far as he knew no decision yet taken this regard.

2. I remarked PriMin's utterances re res seemed rather bitter. Some them questioned motives US and UK. I sincerely hoped for good both US and India and in interest world peace Nehru wld not permit irritation at US attitude re Kashmir adversely affect gen attitude toward US. I knew my govt disliked take position re Kashmir not pleasing to India. It was convinced, however, that if it did not no hope for solution Kashmir problem foreseeable future and consequent deterioration polit and econ situation SOA. No Asian country with which my govt more anxious have close and friendly relations than India. If my govt playing power politics it wld have given India full support in Kashmir dispute. It was, however, approaching problem with sincere desire support principles UN and find settlement fair to all parties concerned incl people Kashmir. My govt anxious that differences between it and India arising over Kashmir not spread other aspects US-Ind relations. During recent years many differences between US and UK yet both govts thru wise leadership successful preventing these differences from coloring their gen relations.

3. Bajpai said he shared my hope but as I cld understand he cld not predict precisely what PriMin might do. Kashmir problem fraught with emotion.

4. Bajpai said he wished again mention matter he had discussed with me previously. Our gen relations were constantly receiving set backs because tendency US not to consult with India re contemplated actions of great importance to Asia. For instance, US had recently submitted to UK proposed draft for treaty with Japan which UK had passed along to India for comment. GOI wld prefer discussing matters this kind direct with US rather than through UK. Although India member Commonwealth it was not UK dependency.

5. I told Bajpai I did not know precisely why draft this agreement submitted India thru UK. It was possible that arrangement made whereby UK wld discuss draft with members Commonwealth and US wld discuss various other countries. If so I was sure arrangement merely for purposes of convenience and not with idea members Commonwealth in UK sphere of influence.

HENDERSON

357.AB/4-651 : Telegram

*The Secretary of State to the Embassy in India*¹

SECRET

WASHINGTON, April 6, 1951—7 p. m.

1629. Embtel 2626 Mar 30. Dept appreciates Emb's observations re Kashmir.

We anticipated (your para 1) GOI wld strongly object to arbitration provision SC res and that this wld probably result GOI rejection res. However in view long history mediation efforts and delaying tactics GOI, we as well as majority SC members, of opinion arbitration provision as French Rep pointed out in his speech Mar 30 represents "the core of the draft." It is significant that eight SC members in speeches announcing vote for res stressed need for arbitration in event mediation efforts again failed.

We believe chance success UN Rep greatly limited if GOI continues, as we expect (para 2), maintain present rigid position. UN Rep may, however, perform useful service defining clearly issues separating parties. Possibility remains, however remote, GOI may, if UN pressure sustained, revert to partition proposal made by Dixon and agree essential guarantees necessary free plebiscite in Vale.

Rau (para 4) stated his SC speech India wld confer UN Rep. However, Indian del member indicated India may request clarification of UN Reps reference terms by writing letter SC Pres.

In event UN Rep reports failure (para 5) his mission and attributes failure GOI attitude, next possible step might be that SC wld establish machinery work out detailed specific recommendations for solution, and then adopt res containing such recommendations. We are prepared to support such res provided terms are objective and fair even though it were clear India wld not accept res.

Dept concurs with and gratified by your comments Bajpai re Kashmir (Embtel 2691 Apr 5)

Dept proposes downgrade Embtel 2626 Mar 30 to Secret unless Emb objects.

ACHESON

¹ Repeated as telegram 831, to the U.S. Mission at the United Nations.

357.AB/4-2751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, April 27, 1951—1 p. m.

2991. 1. During talk with Bajpai Apr 26 I remarked reports in press Trigve Lie might visit India near future and asked if they had foundation. Bajpai replied GOI knew nothing such visit. He personally hoped Lie wld not come. No good purpose wld be served. Lie had been singularly inept during visits other countries and now no time for bull in Indian Chi shop. Few Indians respected Lie and difficult them understand why he elected for second term. (Depintels Apr 25, 1 a. m. and 2 a. m.)¹

2. I replied I thought I had explained to him some months ago why US had supported Lie re-election. We thought he had done creditable job and it wld be impossible obtain agreement upon successor. Bajpai admitted if Lie had not been re-elected UN might be without SecGen.

3. Altho Bajpai's comments may not precisely reflect attitude GOI towards Lie visit I doubt he wld have made them if he had not thought that to extent at least they represented approximate views Nehru. I am therefore inclined believe preferable Lie not come India now.²

HENDERSON

¹ Neither printed.

² In telegram 473, to Tel Aviv, April 27, not printed, the Department instructed the Embassy to ascertain the plans of Secretary General Lie, who was then in the course of his trip to Europe and the Middle East. If he indicated that he intended to visit India, the Embassy was to inform him that the Department had obtained information that he might receive a cool reception there. The Embassy was also to suggest that he might wish to consider whether this would be an opportune time for such a visit. (357.AB/4-2751)

357.AB/5-951

Memorandum of Conversation, by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs

CONFIDENTIAL

[WASHINGTON,] May 9, 1951.

Subject: Kashmir

Participants: Dr. Frank P. Graham, UN Representative for India and Pakistan
 Frank D. Collins, SOA
 Howard Meyers, UNP

On Monday, 7 May, Frank Collins and I spent three hours with Dr. Graham. At this time, we handed him the list of unclassified documents noted in the appendix to this memorandum,¹ and promised to furnish additional classified materials as soon as we could get it ready.

¹ List of documents, mostly published by the United Nations, not printed.

I had previously ascertained from Dr. Graham's secretary, and confirmed it with Dr. Graham, that he would prefer to read the basic documents in the case before coming over to the Department for briefing. We indicated which of the documents we believed were of primary and immediate interest.

[Here follows a discussion of possible appointments to the staff of the United Nations Representative for India and Pakistan.]

The UN Representative was most curious about the personality of Prime Minister Nehru, remarking that Nehru appeared to be the single most important factor in any negotiations on the Kashmir Dispute. We attempted to describe as objectively as possible the Prime Minister's background in general and its specific application to the Kashmir Dispute, pointing out that the emotional overtones of his attachment to Kashmir were complemented by the power-politic realism of various elements within India who saw the Kashmir Dispute as useful for a variety of purposes. We suggested that some of the more important of these purposes, which we did not believe were inconsistent one with the other, might be outlined as the following: (i) through various devices, to avoid implementing the Indian commitment to settle the accession question by a fair and impartial plebiscite, with the objective of making the cease-fire line a real political boundary and integrating Kashmir more closely into the Indian Union; (ii) avoiding settlement of the Kashmir Dispute, as a means of weakening the position of the Government of Pakistan and disrupting Pakistan's internal stability; (iii) keeping alive the Kashmir Dispute, as one of a number of devices directed at eventual reintegration of Pakistan in a Greater India.

Despite these possible objectives of the Government of India, we said that the Department believed that overcoming Nehru's objections to fair suggestions was the single greatest problem for a reasonable settlement of the Kashmir Dispute, since there are members of his cabinet and groups in India who we believe really desire a reasonable settlement of the Kashmir Dispute. We added that Nehru, himself, continued to declare publicly that a peaceful settlement of the Kashmir Dispute was possible and desirable.

At Dr. Graham's request, we described at some length the various shifts in Indian tactics by which they had gone from the state-wide plebiscite concept of the two UNCIP resolutions, to the Bajpai suggestion of partition with a plebiscite in the Vale of Kashmir, to the return at the recent Security Council meetings to an emphasis on the state-wide plebiscite under the August 1948 and January 1949 UNCIP resolutions. Dr. Graham remarked that this maneuvering reminded him very strongly of the Dutch attitude during the Indonesian Dispute, and added that a solution of the Indonesian problem had been reached finally despite the maneuvering of the Dutch trying to pre-

vent a fair solution. He hoped that something of the same nature could occur in the Kashmir Dispute, although he was cognizant of the difficulties and of the fact that he did not possess any similar means of bringing pressure to bear which would be nearly as effective as those which had been used on the Dutch. He said he found that it had been most difficult for the Dutch to talk their way around very specific and detailed proposals which had been supported by the Security Council, and indicated that this might be the logical development of the Kashmir Dispute. We took this opportunity to say that the minimum benefit we could obtain from Dr. Graham's mission would be a report in which, under his terms of reference, he would sum up the unresolved issues between the parties which he believed had to be solved in order for them to implement their commitments under the two UNCIP resolutions. This might possibly be used as the basis for working out detailed proposals of the nature of those which Dr. Graham had referred to in connection with the Indonesian Dispute.

We ended the discussion by explaining to Dr. Graham that we wanted to make clear that the Department would support him as best it could. We pointed out that his position was not that of the United States Representative on a Commission but the UN Representative for the Kashmir Dispute. Actually, by acting in the most objective fashion, Dr. Graham could not help but advance UN interests and US interests. Both India and Pakistan are our friends. The United States sincerely desires a solution which will be mutually acceptable to both parties, and Ambassador Gross had said in the recent Security Council meetings concerned with the Kashmir Dispute that there could be no lasting solution of the dispute which was not acceptable to both parties.

690D.91/6-151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL

NEW DELHI, June 1, 1951—6 p. m.

3452. Bajpai requested Steere call yesterday and made following statement re Kashmir. Bajpai explained he was acting on PriMin instructions that no one shld be left in doubt attitude GOI on questions constituent assembly and Doctor Graham's visit.

GOI reps UN had made repeated statement on GOI attitude on question CA,¹ yet various UN reps including US rep continued make statements showing failure recognize Ind position which GOI eld

¹Reference is to the Kashmir Constituent Assembly, a proclamation for the convocation of which had been issued by the Yuvaraja of Jammu and Kashmir on April 30. For further information, see footnote 2, p. 1770.

not understand. Kashmir under Ind constitution had right to formulate own constitution and elect legislature. GOI had no right interfere; in fact, considered it right and proper that Kashmir shld proceed with these steps.

Steere asked whether Bajpai meant that GOI cld not restrain Kashmir authorities from convening assembly. Bajpai replied he was not constitutional lawyer and cld not assert positively GOI had no legal right restrain Kashmir officials, but that regardless of whether or not it had such rights CA was to be convened with full approval GOI.

CA also wld have right voice opinion (which GOI cld not forbid) on question accession. Such opinion was in no way binding upon GOI or UN and GOI therefore did not consider such action cld be regarded as prejudicial to res of issues by SC.

Steere asked whether his statement was based legalistic view or whether he meant that convening of CA wld not affect atmosphere and that passage of res on accession question wld not prejudice carrying out of plebiscite. Bajpai replied GOI opinion was "that convening of assembly and passage by it of accession res would not prejudice action by SC". Bajpai said this with air finality implying that GOI insisted on this opinion in defiance views others.

Bajpai went on to say with some show of heat that it was completely unreasonable accuse Ind of prejudicial actions when Pak authorities and press were allowed engage in most violent agitation including open talk of "jehad" without criticism or reproof from any side. He then added US Govt might well consider public reproof or advice to Pak on this score; he has followed matter closely and had not once seen statement by US spokesman in UN or elsewhere showing any recognition excesses of Paks.

GOI attitude re visit of Graham was he shld be received with due courtesy as distinguished foreigner and rep of UN and that it wld be prepared talk with him; but GOI cld not receive him in capacity official engaged in implementation UN res against which GOI had voted.

HENDERSON

330/6-551 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

CONFIDENTIAL

NEW YORK, June 5, 1951—7:17 p. m.

1611. Re convening of Kashmir Constituent Assembly. Bokhari¹ (Pakistan) called at his request this noon under instruction from his

¹ Ahmed S. Bokhari, Representative of Pakistan to the United Nations.

govt to ask us to convey to our govt with reference to SC President's letter concerning convening of Constituent Assembly that his govt was "thoroughly dissatisfied and considered it a retrograde step".² Bokhari said the attitude of his govt was based on expression in letter of satisfaction with assurances given by rep of India. Bokhari said that these assurances were not assurances at all, that they were almost a verbatim repetition of "assurances" Rau had given in March which had in effect been repudiated at that time in the council by Jebb.

Point was that convening of Assembly and expression of opinion by Assembly would, in fact, be prejudicial to carrying out of SC intent.

I pointed out and emphasized that SC letter went on to point out sense of SC that reports under review would involve procedures in conflict with commitments of parties to determine accession by plebiscite. I also emphasized I had stated at last meeting of SC that if GOI permitted convening of Constituent Assembly at this time it would not be adhering fully to spirit of its commitment.³ I indicated I did not believe council would be prepared to enjoin, in effect, convening of Constituent Assembly.

Bokhari expressed appreciation comparative strength my statement in SC. He referred to present very difficult position his govt vis-à-vis Pakistan public opinion mentioning, in this connection, widespread charges that "SC was doing nothing and, from left-wing sources, that Anglo-American bloc was creating muddle in Kashmir".

Bokhari expressed great concern that Graham had not yet left, two months having passed since his appointment. He said that Pakistanis did not expect in March, and did not now expect that Graham's mission would be successful. He expressed strong hope that Graham could be persuaded to leave for sub-continent immediately and that he would report to SC as soon as he found that agreement of parties was not possible. This would pave way to order by SC to both parties to withdraw their forces from Kashmir.

² On May 29, the Security Council approved (S/PV. 548) the text of a letter (S/2181) to be sent by the President of the Council to India and Pakistan. The letter noted with satisfaction the assurances of the Indian representative that the constituent assembly was not intended to prejudice the issues before the Council. On the other hand, it said, reports concerning the constituent assembly contained in two recent communications from Pakistan to the Council (letter of May 4, S/2119; and May 8, S/2145), if correct, would conflict with the commitments of the parties to determine the future accession of Jammu and Kashmir by a fair and impartial plebiscite under U.N. auspices. The Council reminded the governments of India and Pakistan of the provisions of its resolution of March 30, 1951, and trusted that they would do everything in their power to insure that the authorities in Kashmir did not disregard the Council.

³ The last meeting of the Security Council was held on May 29; see U.N. document S/PV. 548.

We told Bokhari that we would of course report views he had expressed to Dept.⁴

GROSS

⁴ In telegram 975, to the U.S. Mission at the United Nations, June 8, the Department of State approved the comments made by Ambassador Gross to Mr. Bokhari, and stated that further action in the matter was unnecessary (330/6-551).

690D.91/6-151 : Telegram

*The Secretary of State to the Embassy in India*¹

CONFIDENTIAL

WASHINGTON, June 7, 1951—2 p. m.

2090. Dept requests Emb approach Bajpai soonest asking fol be imparted GOI as US Govt's attitude responding GOI views contained urtel 3452, June 1:

1. As GOI aware, US has from beginning Kashmir dispute been interested in fair settlement acceptable both parties. On Feb 21, US Rep SC stated there can be no real and lasting settlement Kashmir dispute which is not acceptable both parties. He rptd this statement May 29 adding "Any attempt to decide the issue without consent of both parties wld only leave a constant and explosive irritant in relations between these two govts, an irritant which wld effectively prevent the bringing about of peace and security in South Asia." This policy has been, as GOI aware, basis US efforts over past 3½ years assists in bringing about settlement this issue.

2. In view this basic attitude it shld not be surprising to GOI that US views with deep concern Yuvaraj proclamation May 1 convoking Kashmir Constituent Assembly and provocative statements Sheikh Abdullah Feb 25, May 3, June 2 to effect Constituent Assembly will decide accession question. This concern is further deepened by remarks Bajpai that Constituent Assembly to be convened with full GOI approval and Assembly wld have right voice opinion on question accession. US views on this pt have been fully explained US Rep SC. US, however, desires pt out again its views as expressed by US Amb Gross to SC May 29, "It wld appear to my Govt that, if the GOI permits the convening of this Constituent Assembly at this time, it wld not be adhering fully to spirit of its commitment as accepted in res 13 Aug 1948 so firmly proclaimed as a foundation of India's position by Sir Benegal Rau at the SC mtgs on this matter, and again reaffirmed by Rep of India at the mtg today."

¹ Repeated to Karachi as telegram 845, to London as 6698, and to New York as 973.

3. The US wishes to reassure GOI it deplores irresponsible appeals to force to settle Kashmir issue, and has publicly stated its views SC on Mar 21 this pt as fol: "The GOP and the GOI have both condemned appeals to force to settle Kashmir dispute which have been made by irresponsible and intemperate elements. Contd efforts by the parties to discourage such appeals to force will help ensure and maintain an atmosphere which is favorable to promoting further negots and to refrain from action likely to prejudice a peaceful settlement."

US believes it pertinent pt out, however, that convoking Constituent Assembly is not type action which will restrain irresponsible statements on part Pak natls.

4. US believes India and Pak have continuing responsibility to work wholeheartedly with UN in effort to arrive at fair settlement this issue acceptable to both. We do not believe partial rejection GOI Mar 30 SC res absolves GOI from its responsibilities to work for fair and mutually acceptable settlement Kashmir dispute.

Re GOI attitude toward visit new UN Rep (para 7, reftel): Dr. Graham is distinguished and outstanding Amer cit made available to serve UN and parties by US Govt. As a rep of UN charged with a mission which is of vital importance to India and Pak, this Govt and US people wld find it difficult understand if GOI were not to accord Dr. Graham recognition due Rep UN.

ACHESON

690D.91/6-951 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, June 9, 1951—6 p. m.

3561. I imparted to Bajpai today info of US views re Kashmir set forth Deptel 2090, June 7. Bajpai listened courteously and made point-by-point replies which most part mere repetition of statement made to us on previous occasion. Substance his reply as fols:

1. Not only US Govt but every well-intentioned govt including GOI wld like "fair settlement acceptable both parties". Unfortunately prospect such settlement not bright just now. Strict adherence this formula overlooks fact GOI and GOP not in same position re Kashmir. GOP's present position Kashmir based on aggression fruits of which it wld like expand.

2. GOI cannot accept US view that if it permits Constituent Assembly it wld not be adhering fully to spirit its commitments to UN. Convening Constituent Assembly and action taken by that assembly can in no way affect GOI pledge re holding plebiscite terms of which

agreeable to India and Pak in order determine future Kashmir. Kashmir at present integral part India. GOI therefore cannot discriminate against people Kashmir by refusing allow them elect their own Constituent Assembly which can determine form their govt. If subsequently agreement can be reached between India and Pak with regard to plebiscite, plebiscite can be held regardless what Constituent Assembly may meantime have decided or recommended. People Kashmir have had no constitutional form govt for 31½ years. It wld not be fair deprive them of constitutional govt in future merely because Pak will not agree to plebiscite on terms acceptable to India.

3. GOI not happy re statement made by US re in SC on March 21, to effect that efforts by both GOP and GOI to discourage appeals to force in settlement Kashmir dispute will help insure atmosphere favorable to peaceful settlement. GOI believes this statement bracketing GOP and GOI infers that there is equal amount warmongering on both countries. There are practically no threats of resort to violence in Ind press except in response to threats being made in Pak where as not only Pak press but also polit leaders continually threatening to use force.

Furthermore GOI believe that fact it is in Kashmir stirs Pak press and nationals to talk of jihad rather than acts such as convoking Constituent Assembly. So long as GOI in Kashmir, GOP likely complain re every important action taken either by GOI or by Abdullah's govt.

4. GOI still willing work for fair mutually acceptable settlement Kashmir dispute but it cannot accept res March 30. It will receive Dr. Graham courteously as distinguished US citizen and UN rep. It prepared discuss with him its views re Kashmir but not deal with him in manner which wld indicate that it accepts this resolution.

Rptd Karachi unnumbered.

HENDERSON

357.AB/6-2151 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, June 21, 1951—7 p. m.

908. Embtel 1212, June 18.² Emb instr take suitable opportunity in course conversation to make fol observation: 1) US notes increasing frequency provocative statements by leaders of both countries re Kashmir; 2) Dept concerned GOP may lose present advantage they have in world opinion if its leaders continue indulge intemperate speeches and propaganda, which may also adversely affect Pak case in eyes Graham mission.

¹ Repeated to London as telegram 6035.

² Telegram 1212, from the Embassy in Karachi, June 18, stated that an informal approach to the Government of Pakistan cautioning against provocative statements on Kashmir might be useful, provided it was made in general terms and without specific reference to statements made recently or in the past by either side (357.AB/6-1851).

Prior to making approach Emb shld consult UK HICOM (Lontel 6703, rptd Kar 97, June 20)³ but avoid giving impression joint action.

For Lon only: Emb instr inform FonOff and ask it to instr HICOM Karachi in accordance reftel above.

ACHESON

³Telegram 6703, from the Embassy in London, June 20, reported in part that if the United States made an informal approach to the Government of Pakistan, the British Foreign Office would be willing to instruct the U.K. High Commissioner in Pakistan to make an informal follow-up (357.AB/6-2051).

690D.91/7-1451: Telegram

*The Secretary of State to the Embassy in Pakistan*¹

SECRET

WASHINGTON, July 14, 1951—4 p. m.

44. Dept exploring prospects preventing violent Pak outbreaks against India before end Graham mission October 1 or thereafter, assuming KNC not convened before that date.

Dept believes GOP presently exerting successful manoeuvres (by curbing provocative official and press statements re Kashmir) to restrain frustrated Pak public from resorting violence, as Govt fears loss favorable world opinion and does not wish jeopardize its chances for SC seat next year. These efforts will continue successful if US, UK and UN can offer occasional tangible evidence basic appreciation for Pak interests and problems; however GOP probably unwilling restrain public indignation if it threatens overturn present Govt, in which case Govt might abandon adherence UN principles and take lead in aggressive moves.

Dept further believes: 1) GOP will be able prevent any violence against India or incursions Kashmir during course Graham mission; 2) Provided SC able rapidly take promising steps fol Graham report, GOP will maintain similar controls next fall; 3) If Graham report produces no workable plan for progress, GOP controls will remain effective provided UN can produce such plans; 4) In case all efforts fail offer hope softening Indian position, GOP late in 1951 or early 1952 will be unwilling and unable to prevent outbreak hostilities with India.

Recent events Iran² and Turkey indicate deterioration UK prestige Near East with probably similar results in PAK and consequent lessened effectiveness US-UK collaboration re Kashmir.

¹ Sent also to London as telegram 305, to New Delhi as 111, and to New York as 31.

² For documentation on Iran, see vol. v, pp. 445 ff.

FYI only Brit FonOff believed well aware above problems but not yet ready propose solutions.

Emb's comments urgently requested.

ACHESON

690D.91/7-1651 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET NIACT

NEW DELHI, July 16, 1951—5 p. m.

229. RefEmb tel 215 July 15¹ rptd info Karachi, London 7. Dutt acting Fon Secy was asked this morning whether he wld comment upon press reports Liaquat Ali had declared Karachi yesterday that 90 percent Ind army concentrated easy striking distance Pak borders and that he had sent tel to Nehru asking him in interest peace to remove threat thus created, etc.

Dutt replied he was unable make official statement but wld comment personally. Substance his remarks was as fols:

Without knowing all details he cld generally confirm that large share Ind army forces had been moved into positions general area Ind borders with east and west Pak. GOI decision do so had resulted from belligerent statements recent weeks by Pak press and many Pak leaders from highest level down. Dutt particularly mentioned that high Pak officials had declared Pak wld not permit Kashmir plans for convening Constituent Assembly to be carried out. GOI had expressed its support of Kashmir intentions to proceed with its constitutional rights to convene assembly for purpose preparing new constitution and India had no intention backing down in face Pak threat to intervene in this matter. In view character of statements responsible Pak leaders GOI felt it cld not run risk being taken by surprise and must make troop movements and dispositions necessary from defensive point view. Dutt emphasized Ind measures were purely defensive.

Dutt recalled PriMin Nehru's offer to conclude joint declaration with Pak PriMin foregoing war as means of settlement disputes between two countries, which Pak PriMin had refused GOI cld not but regard Liaquat attitude as implying that Pak unwilling rule out possibility of war with India in certain circumstances. Dutt further declared his opinion that if hostilities shld break out and all-out war with Pak on all fronts wld be involved. To my inquiry about position in that event 40,000,000 Moslems in [India?], Dutt drew long face

¹ Telegram 215 from New Delhi, July 15, not printed, contained information concerning the movement of Indian troops toward the Pakistan borders (690D.91/7-1551).

and said there wld probably be resumption of communal strife on great scale.

In touching upon CA question Dutt particularly emphasized that GOI was supporting convening of Assembly for strictly constitutional purpose; namely, drafting of constitution and other aspects of local govt, and reiterated GOI wld not be bound by any views about accession which CA might voice. He seemed to be at pains to distinguish between actions of constitutional right which India felt it must support, and other actions which GOI might not support.

Dutt concluded by stating he assumed PriMin who returns Delhi July 17 wld regard it necessary make public reply Liaquat Ali.

Rptd info Karachi 12, London 9.

STEERE

690D.91/7-1751 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

SECRET PRIORITY

NEW YORK, July 17, 1951—6:17 p. m.

100. Re: India-Pakistan: UKDel has received request from London for views re possible SC action to get UN observers into Kashmir and Punjab areas where build-up of GOI forces is known to exist. Reply was sent off this morning in following sense:

No procedural difficulty exists in having SC consider situation under Kashmir item since technical title of item is India-Pakistan. Also recommendation could be adopted for group of observers to be sent to areas in question, but same objections to council meeting on this subject as were found sufficient in constituent assembly instance apply in this case also. Such meeting would drag in whole Kashmir debate and destroy chances of Graham mission succeeding. Why could Graham not take this matter up with India and also discuss with Karachi rumors of Pakistan build-up in Kashmir, since both states complained that the other is reinforcing its forces in Kashmir? Reduction of forces is integral part of Graham mission to effect demilitarization. Suggestion made therefore that Syg order one of co-sponsors privately bring this suggestion to Graham's attention, keeping matter confidential and at all costs out of SC. If Graham wanted, US and UK might consider diplomatic back stopping.

Our reaction to this suggestion is unfavorable. We think Graham is old enough to know facts of life and needs no advice. He would probably resent such advice. Furthermore, diplomatic backstopping would probably be resented by India since it feels already US and UK biased toward Pakistan and reluctant take Pakistan to task for jihad and other inflammatory talk. In addition such diplomatic action

would make Graham appear to be simply stooge of Anglo-Saxons and would prejudice his status, if not ruin it.

Our suggestion would be that US and/or UK reps in New Delhi or Karachi on suitable occasion mention to Graham our anxiety over troops build-up, especially in Kashmir, but also in Punjab because of contribution it makes to Indo-Pakistan tension and consequent increase in difficulty of bringing two countries to agreement on Kashmir.

If Dept instruct soonest we shall try to convince British neither FO proposal (which we dislike as much as UKDel does) nor UKDel suggestion is wise.

AUSTIN

690D.91/7-1751 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET PRIORITY

KARACHI, July 17, 1951—10 p. m.

50. Emb agrees events likely to fol Dept's estimated para 2 and 3 Dept's 44, July 14. If there is communal rioting risk of hostilities is immed.

Spontaneous rally of Pak public opinion, including polit opposition, to Liaquat's statement given July 15 strengthens his hand in dealing with India. Emb believes he is alert to risks and danger presented by present sitn. He will restrain and discipline his people unless extremists in West Bengal utilize tension arising from troop dispositions to incite communal rioting.

As of today position of Hindu minorities in East Bengal is not cause for immed concern. While daily movement of minorities between East and West Bengal has been accelerated during past 45 days, still there has been a small net inflow of 824 Hindus into East Bengal during this period. However fact that daily movement is numerous cld have immed and dangerous results shld communal rioting break out and large number of Hindus now in East Bengal become terror stricken.

It is Emb's opinion that any communal disturbances caused by anxieties and tensions growing out of troop dispositions wld be uncontrollable and might extend rapidly across India thru united and central provinces as far as Bombay.

The impact of communal rioting on any considerable scale upon Pak public opinion is unpredictable.

Emb believes both GOI and GOP shld be reminded immed of dangers inherent in this sitn where 12 million Hindus in East Bengal and 40 million Muslims in Ind Union are at mercy of extremists who may be expected take advantage of tensions arising from current mil postures. Whatever the dangers inherent in maneuvers may be with respect to mil coercion directed against Graham Mission and SC's

efforts for peaceful solution, the risks of widespread massacres in communal rioting are far greater in Emb's opinion.

As safeguard against possibility of rapid deterioration Emb recommends US take initiative in warning 2 Govts of risks they are running. Rptd USUN umn, Delhi 11.

WARREN

357.AB/7-1851

Memorandum of Conversation, by the Acting Deputy Director of the Office of South Asian Affairs (Weil)

SECRET

[WASHINGTON,] July 18, 1951.

Subject: Indo-Pakistan Tension: Extraordinary Troop Movements

Participants: R. H. Belcher, First Secretary, British Embassy
T. E. Weil, Acting Deputy Director, SOA

Mr. Belcher called at my office at 3:00 p. m. and read excerpts from a telegram reporting a conversation between the Acting UK High Commissioner in Delhi, Mr. Garner, and the Acting Secretary for External Affairs, Mr. Dutt, on July 17. Mr. Belcher indicated that the conversation really produced nothing new but revealed that the decision to move Indian troops to forward positions had apparently been taken by the Indian Cabinet. It appears that Mr. Dutt reviewed the arguments already given to the public, to the effect that India was compelled to move the troops in the face of war talk in Pakistan, but that in response to Mr. Garner's request for information regarding the disposition of troops Mr. Dutt said he would have to consult with Mr. Nehru who was due to return to Delhi from Bangalore on July 18.

Mr. Belcher also read from a telegram which he stated had been sent by the UKUN Delegation to London setting forth points summarized in USUN's telegram 100, July 17. In this message the UK Delegation suggested that if the Security Council took up the question of sending UN military observers to India and Pakistan, the whole Kashmir debate would be renewed and Dr. Graham's chances of succeeding in his mission would be destroyed. The UK Delegation therefore suggested that Dr. Graham take up the question of troop movements with GOI and GOP as part of the Kashmir problem and that one of the co-sponsors of the resolution under which Dr. Graham is working bring this suggestion to Dr. Graham's attention without bringing the question into the Security Council.

Speaking informally, Mr. Weil suggested to Mr. Belcher that while it was obvious that the current tension over troop movements in India and Pakistan would affect Dr. Graham's chances of succeeding in his demilitarization project, it might be borne in mind that if Dr. Graham were asked to desert his present task in order to attempt mediation between India and Pakistan he might not be in a position to com-

plete his demilitarization assignment within the allotted time. Mr. Weil remarked that if some other means could be found to resolve the current tension and Dr. Graham could be allowed to proceed with his current assignment, there would be obvious advantages in Dr. Graham's being fully prepared to go ahead with his demilitarization proposal after the tension had died down in India and Pakistan. Mr. Weil further suggested that since GOI had not accepted the UN resolution under which Dr. Graham was working, it seemed doubtful that the Indians would accept him as a qualified mediator unless he were given new terms of reference by the Security Council; and that this would probably precipitate the very sort of debate in the Security Council which the UKUN Delegation apparently wished to avoid. Mr. Belcher, also speaking informally, agreed that these points were valid.

Mr. Weil told Mr. Belcher that we wished to continue (see memorandum for the files dated July 17, 1951)¹ consultation with the UK and were looking forward to learning the results of the expected Cabinet consideration of the problem. He also told Mr. Belcher that we were consulting with our missions in London, Delhi and at the UN as to the desirability of expressing concern over developments at an early date to GOI and GOP through our Embassies.

Mr. Belcher said that by the morning of the twentieth he hoped to have a report on action taken by the Cabinet.

¹ Not printed.

690D.91/7-1851: Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, July 18, 1951—5 p. m.

358. Deptel 344, July 17 to London rptd New Delhi 128, Karachi 54, USUN 35.

1. During past few days EmbOff has consulted frequently with FonOff and CRO re India-Pak difficulties and is convinced UKG, although acutely aware of seriousness of situation, completely devoid of ideas as to possible solution. Last week FonOff and CRO jointly prepared paper on subject bringing up this or that idea including condominium for Kashmir, joint control of waterways, etc., but discarding them all as impractical until or unless there is notable relaxation of tension. Only constructive thought UKUN has been asked to explore feasibility (also mechanics involved) of having UN observers Kashmir extend their activities to Amritsar frontier area, but even this wld appear impractical as it assumably wld require SC action. It is general consensus any effort appeal to Nehru from moral stand-

point wld be useless (he seems to assume moral attitudes only in connection with problems outside India) and any move bring pressure to bear wld tend alienate him at expense of Commonwealth as a whole. UKG also acutely conscious delicacy Graham mission and aware any vigorous action now may prejudice its success.

2. Re Deptel 289 July 13,¹ for present UK wld prefer say nothing more either to Rau in New York or to GOI in New Delhi. FonOff notes Rau has stated GOI has no intent have any positive action taken in SC. FonOff wld therefore prefer action, if any, be in form of polite acknowledgment by Pres SC, referring perhaps to reported statement by Nimmo² on July 13 in Rawalpindi that recent incidents merely part of a series which had been magnified propagandawise out of proportion to their military significance.

3. FonOff reiterates if general build-up of India-Pak crisis continues some drastic step may be necessary. Nye, UKHC New Delhi returned London yesterday. Action will be delayed, at least until UKHC has had opportunity mull over results these conversations.

Rptd info Delhi 8, Karachi 11.

GIFFORD

¹ Telegram 289 to London, July 18, not printed, included an inquiry as to the attitude of the British Foreign Office toward an approach to the Government of India (690D.91/7-1851).

² Maj. Gen. Robert H. Nimmo of the Australian Military Forces, Chief United Nations Military Observer in India and Pakistan.

357.AB/7-1851 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

TOP SECRET PRIORITY New York, July 18, 1951—6:10 p. m.

102. Re Indian troop movements. At close of long and very cordial conversation with Rau at lunch today he read to Gross and Ross¹ from top secret telegram he had just received from his FonOff on question of Indian troop movements. Referring to Nehru's Bangalore speech, telegram stressed that reasons for Indian troop movements exactly as described by Nehru. Flat statement was made in telegram that India did not want war nor did it want to take any measures which might lead to war. Reference was made to broad, nationwide elections as important factor indicating India does not want war.

After referring to reduction of some fifty-two thousand in total Indian armed forces, telegram went on to refer, apparently in some detail, to Pakistan propaganda for jehad against India, to strengthening of Pakistan forces, to border incidents about Kashmir, to vio-

¹ John C. Ross, Deputy U.S. Representative to the Security Council.

lence and incitement, to disorder within Kashmir, all directly traceable, according to telegram, to Pakistan sources.

Evidence was also cited to effect that British officers were conversing with and even assisting in carrying out Pakistani policies in regard to such incidents. Specific reference was made to activities in this regard apparently in both east and west Pakistan, of Gracie² and Auchinleck.³ Telegram emphasized defensive character Indian troop movements in light of factors recited.

Rau emphasized top secret character of info he was giving us, pledging us to strictest confidence with particular reference to comments concerning activities of Gracie and Auchinleck.

After reading from this telegram Rau expressed half-jokingly hope we would not find it necessary to follow UK lead too closely.

Rau said Graham had made excellent impression on Nehru who found Graham very serious and sincere man; Nehru has issued orders that Graham is to be shown every courtesy.

AUSTIN

² Gen. Sir Douglas D. Gracey, Commander-in-Chief of the Pakistan Army, 1948-1951.

³ Field Marshal Sir Claude John Eyre Auchinleck, Supreme Commander in India and Pakistan, 1947.

690D.91/7-1951

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

SECRET

[WASHINGTON,] July 19, 1951.

Subject: Tension Between India and Pakistan: Extraordinary Troop Movements

During the last two weeks tension between India and Pakistan has been seriously aggravated by the movement of substantial numbers of Indian troops toward the Pakistan border and by similar forward movements of Pakistan forces. Liaquat Ali Khan has publicly appealed to Mr. Nehru to cooperate in reducing tension and has filed a copy of his message to Mr. Nehru with the Security Council. On July 17 Mr. Nehru, in a reply to Liaquat Ali's message, declared India's intentions were peaceful but that war talk in Pakistan had compelled India to move troops to forward positions.¹

¹ The texts of messages exchanged between the Prime Ministers of India and Pakistan during the summer of 1951 are contained in two publications of their respective governments: India, Ministry of Foreign Affairs, *Indo-Pakistan Relations (Correspondence Between the Prime Ministers of India and Pakistan from 15 July to 9 August 1951)* (New Delhi, 1951); Pakistan, Ministry of Foreign Affairs, *India's Threat to Pakistan: Correspondence Between the Prime Ministers of Pakistan and India, July 15-August 11, 1951* (Karachi, n.d.).

According to the British Embassy the British Cabinet is to decide on a course of action today. The Foreign Office has been considering the possibility of recommending to the Security Council that UN military observers be sent to the areas concerned, but in view of certain practical difficulties surrounding such an operation there are indications that the first step may take the form of a personal message from Mr. Attlee to the Indian and Pakistan Prime Ministers. The British Embassy expects to have a report on Cabinet action tomorrow morning.

The Australian Prime Minister has sent a message to Liaquat Ali and Mr. Nehru expressing his Government's concern and tendering his Government's good offices. The text of Mr. Menzies' message is quoted in Mr. Spender's letter to you of July 17 (attached).²

To date the Department has taken the position that the British should take the lead in this Commonwealth problem and that action by the United States should be coordinated with British action. Our missions in London, Karachi and Delhi have been instructed to consult fully with UK officials and have been asked for their views on the desirability of immediate expression of our concern to the Indian and Pakistan Governments. We have also, in conjunction with UNA, studied possible approaches to a solution and have reached the tentative conclusion that the most effective action might comprise a request by the Security Council for explanations from the Governments of India and Pakistan followed by a resolution expressing the hope that both Governments will create an atmosphere favorable to settlement of the current dispute. The Australians might then be encouraged to repeat their offer of good offices which, if accepted, could be used to propose utilization of the POC or of UN military observers to reduce the existing tension and to bring about eventual withdrawal of troops. We believe Dr. Graham should be informally apprised of all pertinent developments but do not favor, as certain British officials have suggested, taking him away from his present assignment in Kashmir to undertake mediation of the current critical tension in India and Pakistan.

While there is no evidence that either Government wants war, we believe there is a grave danger that an incident could lead to hostilities and to communal war throughout the subcontinent. The immediate problem therefore is to decide, in consultation with the British, ways and means of preventing an outbreak of hostilities.

² Not printed. The note from Prime Minister Menzies to Nehru and Liaquat Ali Khan, quoted in the note of July 17 from the Australian Ambassador to President Truman and Secretary Acheson, indicated that the Australian government was greatly disturbed by reports of troop concentrations and possible frontier disturbances, and expressed the hope that differences between India and Pakistan might be settled peacefully. The note further stated that if the Prime Ministers believed the Australian government could help in removing causes of difference, its good offices were freely available. (690D.91/7-1751)

Secretary's Memoranda : Lot 53 D 444

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] July 19, 1951.

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

Item 5. India-Pakistan Tension

I went over this with the President along the lines of the briefing paper¹ in my book, stressing particularly that it was not our intention to take the initiative in making proposals. We thought that since this was a Commonwealth matter, the Commonwealth nations should take the initiative and we hoped to be able to support the line upon which they could agree. The President expressed his concern over the trend of affairs in India and he agreed to the position which I had outlined.

The President mentioned a communication which he had received from the Australian Ambassador and asked whether he should reply to it and, if so, how. I agreed that the Department would very promptly make a recommendation to him on this.²

D[EAN] A[CHESON]

¹ Reference is presumably to Mr. McGhee's memorandum to the Secretary of State of July 19.

² In a memorandum to President Truman of July 27, not printed, Secretary Acheson wrote that he was conveying thanks on behalf of both himself and the President for the Australian Ambassador's similar note to each of July 17, and recommended that the President therefore need not write a separate acknowledgment (690D.91/7-1751). In his reply to the Australian Ambassador, also July 27, Secretary Acheson wrote in part as follows:

"I share fully Mr. Menzies' concern over the trend of affairs in India and Pakistan and hope means can be found without delay to create an atmosphere favorable to negotiation of outstanding disputes. Officers of the Department of State are following developments closely and are looking forward to discussing the problem with your Embassy.

"I am gratified to know that your Government stands ready to take an active part in efforts to prevent further deterioration of relations between India and Pakistan." (690D.91/7-1751)

690D.91/7-1951 : Telegram

*The Secretary of State to the United States Representative at the United Nations*¹

SECRET

PRIORITY

WASHINGTON, July 19, 1951—8 p. m.

44. Re Kashmir: recent troop movements.

I. Urgently request USUN and London consult with UKDel and FonOff, seeking views on fol contemplated action which Dept believes preferable:

¹ Sent also to London as telegram 458; repeated for information to New Delhi as 169, to Karachi as 66, and to Canberra as 23.

1. While Ind troop movements might be treated as giving rise separate cause of action, we believe preferable consider them part "India-Pakistan Question", which is GOP approach in ltr SC indicated by numbered para 2 and 3 USUN's 88, July 16 (rptd, July 17 to London, 348; Delhi 55; Karachi 132).² We propose UK-US and other dels request SC mtg near future re troop movements. General line mtg might be as fol:

a. Members refer recent reports large-scale troop movements both Ind Pak as indicating dangerous situation in area, and ask explanation from parties re nature, extent, reasons such movements. State reason for request primary responsibility SC for maintenance internatl peace and security, and bearing troop movements appear have on Graham mission.

b. After explanations, we believe shld seek res with limited objective, touching on fol among other points:

- (1) recalling parties commitment under 13 Aug 1948 UNCIP res to assist in creating and maintaining atmosphere favorable promotion further negots;
- (2) recalling various SC reses had called on parties take all possible measures ensure creation and maintenance such atmosphere and to refrain from any action likely prejudice just and lasting settlement Kashmir dispute;
- (3) pointing out troop movements and belligerent atmosphere both countries appeared hinder possibility Graham cld help parties under mission on which sent by SC;
- (4) hoping parties wld so act as ensure creation and maintenance atmosphere favorable promotion further negots in India Pakistan Question.

2. Simultaneously with SC mtg or prior thereto, US-UK shld urge parties accept Austral offer good offices made by Menzies. We suggest FonOff CRO and Dept at once see Austral HICOM³ and Amb's, expressing desire aid Menzies offer and inquiring what Australs have in mind. We think advisable ask if Menzies has considered specific approaches, such as suggesting that parties might wish avail selves of such UN devices as observers under Peace Observation Commission, or an expanded Kashmir Mil Observer Group. In both cases, observers cld observe and report on situation, and their presence might serve reduce tension while helping protect each party against actions by the other. Such suggestions to Australs based on our belief that, if Menzies cld get parties accept UN observers, this might materially diminish chance general hostilities. We wld, of course, advise Australs fully on our contemplated SC action.

3. UKDel-USUN shld informally suggest UN SYG ask Chief Kashmir Milob report any recent troop build-up in Kashmir. This

² Telegram 88 from the U.S. Mission at the United Nations, July 16, not printed, quoted the text of a communication from Ahmed S. Bokhari, Representative of Pakistan to the United Nations, to Secretary-General Trygve Lie. The communication was issued as U.N. document S/2245. Numbered paragraphs 2 and 3 referred to here were quotations from a letter to Nehru from Liaquat Ali Khan of July 15. (690D.91/7-1651)

³ E. J. Harrison, Australian High Commissioner in the United Kingdom.

wld give necessary info and, since limited to area Milob operations, can be done without formal SC action. In view UK assumption initiative Kashmir dispute, we have not yet instructed USUN take such step and hope UK will at once instruct UKDel join with USUN in making suggestion.

4. Advantages we see in above approaches fol :

a. SC Mtg deals with immed cause of tension—troop movements—but does not bring SC into complicated problems involved in troop withdrawals. These problems left to parties and possibly Menzies. SC only calls on parties live up to present commitments, thus diminishing prestige questions which wld be involved in any request parties withdraw troops.

b. Airing troop movement question and asking explanation in SC may have restraining effect on parties.

c. New cause of action not created, but only further consideration present case.

d. Menzies good offices, directed to troop movements issue, performed outside UN forum, thus giving flexibility in approaching problem and not in any way conflicting with Graham's mission. Menzies efforts, if necessary keyed to SC action, shld give maximum effect in helping diminish tension in area.

e. Graham mission not made more difficult by giving him other duties re troop movements, and he will be aided if tension subsides.

f. If UN observers desirable in helping prevent outburst, probably wld be more acceptable have Menzies first make this suggestion privately outside SC, where parties' prestige not so involved. In this connection, using POC for first time or greatly expanding Kashmir Milob Group might require some time. Might need large nr observers (525 used in Palestine). However, assume cld send in some observers on improvised basis fairly quickly.

g. SC Mtg shld be adequate indication to Pak genuine UK-US concern, while not overly antagonizing Inds.

II. 1. New Delhi and Karachi requested at once inform Graham, on most confidential basis, nature action contemplated. Explain Dept wishes keep him informed and urgently desires his comments before taking action.

2. Comments all Embs requested.

III. Dept agrees with FonOff views on taking notice GOI complaints on cease-fire violations [London's 358, July 18, para 2, rptd Delhi 128, Karachi 54, USUN 35; USUN's 106, July 18].⁴

ACHESON

⁴Brackets in the source text. Telegram 106, from New York, July 18, not printed, contained further views of the British Foreign Office, relayed by the U.K. Delegation to the United Nations, concerning an approach to the Indian Government (690D.91/7-1851).

357.AB/2051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, July 20, 1951—6 p. m.

283. Ref Deptel 141, July 18 to Delhi, sent London 384, USUN 37, rptd info Karachi 58.¹ Emb convinced GOI has taken firm decision stand its ground on Kashmir. Inds appear believe Kashmir will be theirs without further action their part and they can successfully defy any effort by Pak or even UN to take from Ind parts Kashmir which they now occupy. Recrudescence inflammatory recriminations both countries (but particularly Pak) appear to have developed rapidly among Inds including armed forces, officials and public state of mind no longer shrinks from all-out war accompanied by horrors of communal strife—if, as Inds say, it is forced upon them by Pak. This attitude is more one of calm determination or resignation than anger but seems none-the-less dangerous if dangerous incidents of violence should occur.

Emb believes nevertheless that something might be achieved bringing Inds leaders to greater awareness of the sense of responsibility for dangerous situation to which country has now been brought. We doubt that UNSC or Graham mission in present frame of mind Ind can bring about such change. We believe that only US and Brit Govts have sufficient prestige and influence. We accordingly suggest that it wld be useful to check dangerous drift toward war if US in consultation with UK were immed to express to GOI and GOP its concern about most recent developments incident to Kashmir dispute.

Emb ventures further make certain suggestions re an approach to GOI which it believes might be effective.

(1) We might begin by expression our grave apprehension: Over sudden development extremely dangerous relations between two countries which has resulted in movement substantial portion their armed forces to respective common borders; over development mutual recriminations by countries leaders and press which we believe if continued cannot but inflame population toward readiness for war; over signs of Communal uneasiness which by single incident might suddenly spread and envelop the country in a wave of bloodshed.

(2) We have no doubt sincere desire both countries maintain peace and avoid war but wld respectfully remind them that all history shows situations such as that now existing are prelude to war. Ind is by far larger of two countries and with forty million Moslems residing within its boundaries bears a grave responsibility for avoidance of

¹ Telegram 141, July 18, to New Delhi, repeated to London as telegram 384 and to New York as 37, not printed, stated that although the Department believed the United Kingdom should take the lead in approaches to the Governments of India and Pakistan, it would welcome the views of the Embassies in New Delhi and London and the Mission at the U.N. as soon as possible on the usefulness of an immediate expression to the two governments of the U.S. Government's concern (357.AB/7-1851).

communal strife. Its very existence as newly independent country might be jeopardized and economic life of country perhaps shattered if war shld break out.

(3) Furthermore if Ind now fails take action, world wld not understand why it was that Ind which so strongly supports peaceful solutions in international councils was apparently unable achieve peaceful solutions with its own neighbors. Kashmir problem has defied solution for almost four years. Ind and Pak leaders must now make utmost effort avoid drift toward war and communal holocaust and find solution basic problem.

(4) In addition to above suggestion Emb also believes: UNSYG might consider requesting UN mil observers in Kashmir for interim report with respect recent mil developments there. Circulation interim report to SC members shld be effective means impressing Pak and Ind with seriousness situation and possibly deterring them from further mil moves which wld certainly result in SC consideration.

(5) US and UK dels UN meanwhile might informally discuss with certain other SC members possibility SC meeting on basis Pak letter re constituent assembly and Ind letters re cease-fire violations as basis for immed SC consideration during which Liaquat charge re Ind mil movement and Nehru reply wld certainly arise for discussion. At such meeting pres SC might be authorized address further letter to Ind and Pak calling upon them (1) to check drift toward war and perhaps suggesting (2) formal negots between Ind and Pak PriMins to settle Kashmir matter with Graham functioning in good offices capacity.

(6) Emb fully concurs in Amb Warren's conclusions re effect communal disturbances in Ind and Pak and believes this aspect shld be stressed strongly (Embtel 50 July 17 from Karachi). Contel 59 July 18 from Calcutta² graphically describes press agitation and growing influx refugees from East Pak. During recent discussion re Kashmir, high MEA official indicated to Steere that GOI was not worried re possibility communal disturbances which suggests urgent reason for approach to GOI outlined above.

Rptd info London 14, Karachi 17.

HENDERSON

² Not printed.

690D.91/7-2151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, July 21, 1951—1 p. m.

68: Re Deptel 66, July 19. The suggestions for a course of action contained in reftel appear to proceed from the assumption of great danger of outbreak of gen hostilities between Ind and Pak, and that this is principal danger in present situation. It seems to Emb that greatest immed danger lies in possibility of outbreak of communal rioting (Embtel 50, July 17), and that a debate in SC at this time with inevitable hardening of position on both sides and consequent

newspaper polemics and heightened public emotion, wld increase the risk that communal disorders wld take place.

Restraining pressure shld be brought to bear on two PM's, but it shld be exercised privately and not in public. I recommend that US and UK take appropriate action independently and not jointly and I suggest US take initiative in addressing both PM's.

I communicated substance reftel to Graham last night, but because of pressure of his engagements then and today he has not yet had sufficient time to give consideration to subj.

Rptd info London 10, New Delhi 12, Canberra 1.

WARREN

690D.91/7-2351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, July 23, 1951—6 p. m.

320. Re Deptel 169 July 19 info to Delhi sent NY 44 London 458 info Karachi 66 in which Dept requests Emb comments:

1. Emb preliminary views on how deal with critical turn Indo-Pak relations incident to recent troop movements were set out in Embtel 283, July 20 which crossed reftel.

2. Our comments on various points reftel are:

(a) We recognize close link between crisis which has just risen and Kashmir problem and possible future need treat together or as parts of one problem.

(b) For present however we regard present crisis as problem likely become serious in Bengal and various parts India rather than or before in Kashmir and as one requiring immed action. We believe we fully agreed with Karachi this point.

(c) We see fol definite disadvantages linking two problems now in manner which wld result full scale discussion in SC:

(1) Difficulties from mixing short and longer term problems.

(2) SC wld be greatly handicapped in dealing with crisis urgent nature because low prestige UN and SC in India re Kashmir.

(3) Also fact that Nehru as recently as July 13 announced "final" rejection SC Mar 30 res.

(4) SC debate cld easily contribute to increase in Indo-Pak bitterness which it vital shld subside.

(5) We believe line approach by SC suggested in article 1 section 1a and b particularly B (regardless its full validity) wld meet with cool reception India as "just another res" and wld not make much impression on PriMin, GOI or public.

(d) We assume Dept suggestion re urging parties accept Menzies offer good offices overtaken by Nehru decline. We understand Nehru has personal aversion to Menzies particularly since last Commonwealth conf London and believe this offer has no usefulness.

(e) We agree expanded UNMOK wld be desirable particularly if observations cld be extended to Punjab borders. We assume UNMOK might be expanded without SC action if GOI and GOP were to agree. We believe Graham in best position to ascertain informally from PriMins whether they wld agree, and that such inquiry his part wld be facilitated by prior high level approach to PriMins such as suggested Embtel 283.

(f) We agree suggestion (article I section 3) re UNSYG request for special UNMOK report and believe shld be expedited.

(g) Emb has been daily consultation with Acting HC Garner. Both he and Emb are apprehensive about effects India of full dress SC debate over troop movements at this time. Wld it be feasible restrict SC debate by device of presenting for SC consideration draft ltr by SC pres along lines suggested numbered para 5 Embtel 283?

(h) We believe that approach to Nehru, to succeed, must not be one that obviously involves retreat for India or Nehru vis-à-vis SC re Kashmir problem. If attack on troop movement aspect cld be from new angle and be one in which Nehru himself figures prominently we believe chances success wld be enhanced. There is even some reason believe Nehru may have personal gesture in mind (as last year) when he deems moment propitious.

3. Emb assumes Karachi has informed Graham and asked his comments. Graham arriving Delhi 1330 hours today.

Rptd info Karachi 20, London 18, Kabul 3.

HENDERSON

690D.91/7-2351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, July 23, 1951—8 p. m.

321. Gen Devers¹ called this afternoon and said Graham had asked him handle contacts with Embs while he is endeavoring maintain utmost impartiality.

Devers said Graham was grateful with progress made Karachi, and remarked that mission wld be successful if it cld secure from Nehru anything like commitments secured, in writing, from Liaquat. He did not particularize.

General impression gained by Devers in visit to border areas both sides in Kashmir was that neither side wanted any war.

According to Devers, Dr. Graham does not want to take on any duties in addition to those which he came here to do. He feels that to do so would jeopardize his mission. He wld particularly dislike becoming involved in any efforts deal with recent troop movement or anything necessitating going back to SC.

Rptd info London 19, Karachi 21.

HENDERSON

¹ Gen. Jacob J. Devers, Military Adviser to the U.N. Representative for India and Pakistan.

690D.91/7-2351 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET PRIORITY

NEW YORK, July 23, 1951—8:05 p. m.

133. Re India-Pakistan: We have following comments re Deptel 44, July 19:

(1) Decision whether to risk SC action this time on troop concentrations obviously will be basically determined by evaluation of immediacy of danger of war or communal violence. We are not in position make this evaluation although repeated reports to us from Karachi, New Delhi, and Calcutta and information from UKDel here would seem indicate (1) war not immediately threatened; (2) communal disorders not taking place although chance spark could set them off.

(2) We feel that if war not immediately threatened, risks attendant upon SC debate at this time are so great as to warrant effort being made to accomplish our objective by other means. We understand our objective to be that army build-up and troop concentrations both sides be stopped and trend reversed.

(3) As we see them, principal risks we would run in SC debate being held are:

(a) Each side at table would have to justify actions by making charges against other. This would tend further to exacerbate relations and might increase rather than diminish possibility of communal outbreak.

(b) Would not such exchanges by parties tend to harden positions and lessen Graham's chances of achieving success?

(c) Would SC action on troop concentrations, for which GOI is receiving most of blame by occidental public and press, tend to confirm any feeling GOI may have that we and UK are biased in GOP's favor? (We did not call meeting to consider GOI reports of frontier incidents but we did when GOP made charge about GOI, etc.)

(d) Limited-objective res as summarized in ref tel has so little substance as to imply SC leading from weakness.

Assuming that war or communal violence is not imminent, probably the most effective work toward our objective, with least risk, could be done privately by UK and US, rather than by public discussions in SC. Menzies' reported offer of good offices said, in Canberra's 31 of July 23,¹ to have been declined by Nehru, might serve as useful purpose, and might still occur if he would become particularly interested in pressing it, and if parties should welcome it. Thereupon, his good offices, combined with above private talks with GOI and GOP, might have less resistance than would efforts in SC, and accomplish

¹ Not printed.

reversal of trend to build up arms and troop concentrations on both sides. These controversial issues would not fall upon Dr. Graham.

AUSTIN

357.AB/7-2151 : Telegram

*The Secretary of State to the Embassy in New Delhi*¹

SECRET PRIORITY

WASHINGTON, July 24, 1951—8 p. m.

199. Ref New Delhi tels 283 July 20 and 298 July 21.² Dept desires Embs New Delhi and Karachi proceed make simultaneous *démarches* Indian and Pak govts as fols :

1. Express to two PriMins our deep concern along lines numbered paras 1 and 2 reftel. New Delhi shld also comment along lines numbered para 3 reftel. Second and third sentences para 2 apply only India while last sentence para 3 may be used by both Delhi and Karachi.

2. You may inform UK HICOMs of this action, preferably prior to approaches to GOI and GOP. USUN inform UKDel and Emb London inform FonOff.

ACHESON

¹ Sent also to Karachi as telegram 88, to London as 569, and to the U.S. Representative at the United Nations as 51.

² Telegram 298, July 21, made several minor changes in the text of telegram 283. These changes have been incorporated in the text of telegram 283 as herein printed.

690D.91/7-2551 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, July 25, 1951—6 p. m.

500. Ref Deptel 199 July 24 to New Delhi, rptd Karachi 88, London 569 USUN 51. Indian troop movements.

1. FonOff informed this morning along lines indicated para 2 reftel.

2. No reply as yet to Emb's request of FonOff-CRO for views on contemplated action outlined Deptel 44 July 19 to USUN, rptd London 458, New Delhi 169, Karachi 6, Canberra 23. Gordon Walker¹ and Attlee discussed problem at length this morning. Results as yet not communciated FonOff. EmbOff advised reply when forthcoming will doubtless indicate decision by UK make similar approach to GOI and Pak next few days.

Rptd info New Delhi 15, Karachi 16, USUN (?).

GIFFORD

¹ Patrick C. Gordon Walker, British Secretary of State for Commonwealth Relations.

690D.91/7-2651 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, July 26, 1951—3 p. m.

96. Immed on receipt of Deptel 88, June [July] 24, 8 p. m., I requested interview with PriMin. His secy last night gave me 11:45 today and appointment was notified to Delhi early this a. m.¹

After I had expressed to PM msg indicated by Deptel under ref, he asked (1) what shld he do, and (2) what does US propose to do. Then I countered by asking for his estimate of GOI mil position and intent. He replied according to my recollection that he believes GOIs basic intent is to place sufficient mil power adjacent to Pak frontiers and well in advance of projected Kashmir Constituent Assembly election so that Pak has two alternatives; (1) accept election as a *fait accompli* which wld mean the end of the Kashmir dispute, or (2) fight. If Pak were to fight then GOI wld denounce them as aggressors. He believes reason for placing Ind Army adjacent to west Punjab now rather than after monsoon was done not on account of monsoon floods but rather to embarrass Graham mission and to face Graham with argument that India must re-militarize rather than demilitarize on account of increased number of border incidents at Kashmir cease-fire line and alleged belligerency of Pak polit leaders.

He added in opinion GOP now is not the time for Pak to advance publicly estimate of GOI intentions because (1) it wld complicate any possible success of Graham mission and (2) Pak does not want to reopen Kashmir question before SC while Graham is trying to secure some Indian acquiescence for carrying out his commission.

He added that before Graham left Karachi on 23rd for Delhi, the Paks had agreed to all of his proposals. PM himself had expressed to Graham the hope that if his present visit in Delhi was fruitless that he, Graham, wld consider desirability of reporting back immed to SC the position taken by the two govts, and not stay on indefinitely in subcontinent and thus become a party to what Liaquat considers to be Nehru's plan as indicated above. In event that Graham shld decide his present visit Delhi gives no hope of success his demilitarization plans and returns to SC, then GOP intends denounce to SC and possibly special mtg of Gen Assembly GOIs present mil position adjacent both Pak borders as threat to peace as well as an intimidation to force Pak acquiescence in projected Kashmir Constituent Assembly election.

¹ This notification was given in telegram 367, from New Delhi to Washington, which was repeated as telegram 24, to Karachi (357.AB/7-2651).

Liaquat concluded by saying he is prepared to move promptly on any simultaneous withdrawal of troops adjacent to two borders if it can be arranged and this without respect to implications that may arise with respect to Kashmir elections. If troop withdrawals can be brought about he is ready to participate in UN discussions on the elections because in no case will he agree to the elections taking place.

Rptd info Delhi 14, London 13.

WARREN

357.AB/7-2651 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, July 26, 1951—10 p. m.

370. Ref Deptel 199, sent Karachi 88, London 569, USUN 51. Statement closely following numbered paras 1, 2, 3 of Embtel 283, July 20 and 298, July 21 was made to PriMin at 1800 hrs. Allusion was made at end to PriMin's successful personal intervention in communal crisis last year.

PriMin responded with what seemed expression of genuine appreciation of Secretary's message. PriMin said he could well understand our concern about sudden intensification Kashmir difficulty at time when so many other difficulties existed in other parts of world. He asked that Secretary be assured that he would do his utmost to resolve present crisis in peaceful way. He said that his personal conviction was there wld be no war and went on to add that he thought GOI action in moving troops fortnight ago toward Pak borders was principal reason why war wld not come.

PriMin explained movement of troops as resulting from mounting evidence in several weeks immed prior thereto that GOP was taking mil measures in both East and West Pak which GOI wld not but regard as carrying possible threat to India. As responsible head of Ind Govt he had felt he cld not possibly disregard these mil measures and had taken steps which he wished to assure US had no aggressive intent toward Pak. He went on to say that Pak leaders and press had long been fulminating against India with much talk of jihad; that GOI had largely disregarded these actions as propagandistic but that when these were followed by what, he insisted, were measures of mil character of seemingly threatening intent he cld no longer continue to ignore possible danger.

PriMin's explanation was couched in calm and measured language without any suggestion of bellicosity.

PriMin picked up only one thought in statement made to him—that referring to difficulty for world to understand any failure GOI

find peaceful solution of crisis with neighboring govt in light of its counsels of peace in UN. He understood that world might be mystified at what might seem like Indian inconsistency and launched into lengthy explanation of what had led to this situation. Tribal invasion of Kashmir ¹ had taken Inds completely by surprise and unprepared. He described heart-searching conferences of Ind leaders including Gandhi ² before decision taken to send troops to Kashmir to resist what they thought was an incursion of tribal marauders numbering only few thousands. It was some time before they found themselves up against Pak troops. When it was realized that Pak was actively involved, mil advisors had urged attacks upon the real bases of Pak operation but Ind Govt from then until present day had carefully refrained from any action that wld bring on full-scale war. India, he said, still believed in peaceful methods and was engaged in Kashmir in what was essentially a defensive operation which Pak by propaganda had apparently convinced world was something of another character.

He went on to explain at length that India had been at pains to adopt the attitude it had in Kashmir because Kashmir exemplified the larger problem of India—a great nation of many diverse peoples. The conflict within Kashmir was more between the reactionary and progressive elements of the Muslim population than between Muslims and Hindus. The progressives were enlightened people desirous of living in peace with their Indian neighbors. India cld not abandon all these people to their fate.

The PriMin finally concluded his remarks by statement that he had great difficulty in visualizing any practical solution to this extraordinarily difficult problem but reiterated intention do his utmost solve it.

He also stated that next Sunday ³ it was his intention make several speeches in different parts New Delhi to city populace in which he wld call upon them to maintain calm and to avoid doing anything that might give rise to communal feelings.

PriMin was informed that reps in similar sense being made by Emb in Karachi.

Repeated information Karachi 25, London 21.

HENDERSON

¹ Reference is to tribal movements into Kashmir from the North-West Frontier Province of Pakistan in October 1947.

² Mohandas K. Gandhi (1869–1948), Indian nationalist leader, formerly President of the Indian National Congress.

³ July 29.

690D.91/7-2751 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, July 27, 1951—1 p. m.

99. PriMin Liaquat yesterday sent Nehru a tel, the third in his present exchange of msgs with Ind PriMin, which fills three columns in this morning's papers. Liaquat rejects, with considerable protestation, Nehru's claim Ind armed forces have been reduced in past year; with quotes from speeches and statements of Ind leaders, asserts it is India and not Pak which is guilty of warmongering; says Nehru's "claim that Kashmir is part of Ind territory is wholly wrong and untenable", and occupation of Kashmir by Ind armed forces "under cover of a wholly invalid instrument of accession . . . was an act of aggression against Pak and against people of Kashmir"; says Nehru is attempting to bolster false claim "thru a puppet assembly . . . under shadow of Ind bayonets" and present world with *fait accompli*; argues that when Paks say they will not allow India "grab Kashmir by force" they are not warmongering but merely reflecting fact that continued Ind occupation of Kashmir wld be driving not only Pak, but all peace-loving people throughout world to despair"; "asserts categorically Pak has no intention of attacking Ind territory"; presents five-point proposal reported in Embtel 97, July 27;¹ and concludes with "cordial" invitation to Nehru, if he wishes discuss proposal, to visit Karachi "as soon as first essential step . . . namely withdrawal of concentration of forces, has been carried out."

As Liaquat's plan, aside from provision for withdrawal of forces, is essentially a repetition of proposals of arbitration which Nehru has repeatedly rejected, we believe it is advanced for the record only and not with any idea it will be accepted.

WARREN

¹ Not printed, but see the memorandum of conversation by Mr. Acheson, July 30, p. 1798.

690D.91/7-2751 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, July 27, 1951—7 p. m.

565. Embtel 500 July 25 to Dept rptd New Delhi 15 Karachi 16 USUN 4. CRO was just about to instruct New Delhi and Karachi make representations to GOI and Pak along lines similar to those of US when report received of Liaquat's invitation to Nehru. Instructions have now been withdrawn for restudy.

President CRO thinking in view of rebuff to Menzies, apparently polite but unresponsive reaction to US move, and probable refusal by Nehru of Liaquat's invitation, is to suggest to both leaders that a meeting be arranged, perhaps on neutral ground and without conditions of any kind. If Attlee approves, such a line may now be adopted.

Rptd priority info New Delhi 17, Karachi 17 USUN.

GIFFORD

690D.91/7-2751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, July 27, 1951—6 p. m.

383. General Devers¹ called today and was shown copies Embtel 370, July 26 rptd Karachi 25, London 21; also Karachi's 14, July 26.²

Devers commented very briefly and guardedly upon Graham's talks with PriMin Nehru and GOI as fol: PriMin has thus far been very frank, friendly and cooperative and he (Devers) was inclined to feel optimistic about possibilities of making progress even though nothing positive had yet developed. He thought that further conference this afternoon might reveal how matters wld go. Impression had been gained that PriMin was under such pressure from internal problems, particularly within Cong Party that he might be inclined to be willing to find satisfactory formula for solution Kashmir problem.

General Devers discussed conversations he had had with several GOI officials including Iengar, Secy Home Ministry responsible for internal security. Iengar gave him picture of disturbing internal security situation. General felt it was of such gravity as to influence govt toward desire for settlement Kashmir. General remarked he had given Iengar his frank opinion that if Graham mission was not successful there was grave danger war between Pak and India. His opinion based mainly upon inflamed state of mind Pakistani public (to be distinguished from armed forces at border) and the likelihood that tension wld increase and possibly get out of hand unless relations with India cld be improved.

Devers likewise had impression that Bajpai was endeavoring to be helpful to Graham mission although he noted Bajpai deferred entirely to PriMin for statement of Ind views whenever PriMin was participant in conversation.

Rptd info London 22, Karachi 26.

HENDERSON

¹ Gen. Jacob L. Devers, Chief Military Adviser, UN Mission to India and Pakistan.

² Same as telegram 96 from Karachi, p. 1792.

690D.91/7-2851 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, July 28, 1951—4 p. m.

578. Embtel 565, July 27, rptd New Delhi 17, Karachi 17. Attlee has just approved instructions to UKHCs New Delhi and Karachi directing them make strong oral statements to govts to which accredited (a) emphasizing seriousness of situation, (b) stating UK relies on pronouncements PMs both govts they have no intention resort to war, (c) saying placement of troops both govts are such as might lead to war and (d) recommending to both govts they institute immed withdrawal such forces. UKHC New Delhi informed these instructions carefully drafted before Liaquat's offer, and if he sees any way of exploiting Liaquat's approach he authorized proceed without ref London.

Rptd info New Delhi priority 18, Karachi priority 18.

GIFFORD

690D.91/7-2851 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, July 28, 1951—8 p. m.

402. Ref Embtel 383 July 27, rptd Karachi 26 London 22. Gen Devers states noon today fourth talk (fifth for Graham) with PriMin had concluded current Delhi visit with rather encouraging results. Nehru had agreed that GOI wld submit to Graham early next week plan containing its idea of steps necessary for demilitarization of Kashmir as whole. Both parties had agreed proceed that basis.

Gen said he cld not be sure what Ind plan wld contain, but he thought progress had been made in receiving Nehru assent at point when Bajpai seemed inclined go slow. Receipt of GOI plan wld enable mission endeavor to mesh with Pak plan already in its hands, and then resume discussions.

Devers again emphasized Nehru's coop attitude, but said mission recognized its problem lay in Delhi more than Karachi.

Mission departs for Srinagar morning July 29 for approx week; anticipated will then return Delhi.

Rptd info Karachi 28, London 23.

HENDERSON

690D.91/7-2851 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, July 28, 1951—9 p. m.

403. Ref London's 565 July 27 to Dept, rptd New Delhi 17 Karachi 17. Interpretation Nehru reaction US move as "unresponsive" seems not entirely accurate. Emb believes Nehru was about as responsive as could have been expected in the circumstances.

Bulk of 45-minute interview consisted of essentially defensive explanation by PriMin of how India was drawn into Kashmir military operations repugnant to govt and people nurtured for 30 years on philosophy of nonviolence—in which they still believed. He appeared sensitive about invidious position which threatened India in world opinion—and genuinely desirous, but rather despairing, of finding honorable solution acceptable both parties.

PriMin's desire on July 27 was certainly to give impression of being receptive and cooperative. Promises to do utmost which he gave must, of course, be taken with all reservations, and their value judged by future events.

HENDERSON

690D.91/7-3051

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] July 30, 1951.

Subject: Pakistan Government Views on Recent Indian Troop Movements

Participants: Mr. M. A. H. Ispahani, Ambassador of Pakistan
The Secretary
SOA—Mr. Gatewood

The Ambassador called at his request to report his government's grave apprehension over recent Indian troops movements and stayed for twenty minutes.

He said that almost all India's fighting forces had now been concentrated near the borders of Pakistan and that his government (which had been forced to take defensive measures of its own) attaches the greatest importance to the earliest withdrawal of Indian troops. He pointed out that the Pakistan Prime Minister, in his recent five-point proposal to ensure peace between the two countries, had made it clear that the troops on both sides should be withdrawn simultaneously, but that no reply had yet been received from the Indian Prime Minister to Mr. Liaquat Ali Khan's invitation to visit Karachi to discuss these Peace proposals. Accordingly, the Ambassador expressed the hope that the Secretary could use "his good offices" to the best advantage in

reducing the extreme tension now prevailing between India and Pakistan, so as to avoid the imminent risk of a war which might result from almost any untoward incident on either side.

I said that we had expressed our serious concern over the existing situation to both governments and indicated that I was familiar with the Pakistan Prime Minister's reply to our approach, which stated that he would favor simultaneous withdrawal of troops. I said that it had seemed hopeful that both Prime Ministers were in communication with each other and that I had thought a meeting between them might be arranged that would lead to a mutually satisfactory solution of the present serious tensions between the two countries. I inquired whether we had yet received any reply from the Indian Prime Minister. Mr. Gatewood informed me that we had not. I then asked the Ambassador to outline the five points of Mr. Liaquat Ali Khan's proposal to Mr. Nehru.

The Ambassador said that the five points were: 1) withdrawal of troops (which could be negotiated, in the Ambassador's opinion, without great difficulty); 2) renunciation by both governments of the use of force in settling any of their disputes, together with an agreement to refer such disputes to arbitration if they were not resolved by negotiation or mediation; 3) reaffirmation that the governments would not permit propaganda in either country to be directed against territorial integrity of the other; 4) reaffirmation that the question of Kashmir would be decided by the United Nations; and 5) a declaration by both governments that they would never attack each other. The Ambassador said that, at the moment, he was unaware of any official Indian reply to this proposal though there had been rumors in the American press that it would be refused. These rumors, the Ambassador thought, might derive some substance from Mr. Nehru's recent speech at a Congress Party rally, at which he boldly stated that the Indian position both on the Kashmir issue and all other Indo-Pakistan matters had always been correct, whereas Pakistan had always been wrong.

The Ambassador pointed out that, regardless of what Mr. Nehru might say, it was Pakistan that most feared an outbreak of war, as it was the weaker party, and that Pakistan Prime Minister's five-point proposal had been intended to make it amply clear that his country wished to carry out its obligations as a loyal member of the United Nations.

I said that Mr. Liaquat Ali Khan's proposal appeared reasonable and statesmanlike and that we would continue to follow with particular care all developments that might arise.

As the conversation ended, I asked the Ambassador to convey my regards to Sir Zafrulla Khan and inquired whether I might expect to

see the Pakistan Foreign Minister at San Francisco (for the signature of the Japanese Peace treaty). The Ambassador replied he thought Sir Zafrulla would probably come to San Francisco, provided the course of Indo-Pakistan relations did not take a turn for the worse.

690D.91/7-3051 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, July 30, 1951—3 p. m.

590. Deptel 44, July 19 to New York, rptd London 458, New Delhi 169, Karachi 66, Canberra 23. Following is abbreviated text FonOff letter July 28 commenting on proposals contained reftel. It should be noted this letter drafted prior despatch instructions to UKHC's New Delhi and Karachi described Embtel 578, July 28 to Dept, rptd New Delhi 18, Karachi 18.

1. UK has grave doubts re Dept's first proposal. Neither GOI nor Pak has asked for SC action, and we know that Pak is positively not in favor. UK fears therefore that debate this stage wld only serve as forum for protest and counterprotest by both sides. However, limited objective of resolution which might eventually be tabled, it is almost foregone conclusion that GOI wld reject it. We wld thus have achieved nothing constructive and wld have attracted further undesirable attention to SC's lack of success in solving Kashmir dispute. Moreover, an inconclusive res now wld lessen effect of any SC action that might be contemplated when Graham has completed his mission. A further argument against SC debate at this stage is that GOI wld be almost certain in course of it justify their troop movement on ground of alleged "war-mongering" in Pak. Paks in turn wld point to Kashmir Constituent Assembly, and discussion on those lines wld lead to fundamentals of problem. Thus whole history of dispute wld be undesirably raked up again while Graham mission still in field. These objections wld apply equally to any action this stage through peace observation commission, since to bring commission into problem wld also involve debate in SC or GA.

2. Re proposal GOI and Pak accept Austral offer of good offices, although Paks have welcomed offer, Nehru reported to have rejected it already. While therefore UK wld be willing in principle join with US in discussing with Australs specific approaches to both sides, UK feels no useful purpose wld be served by any further Austral initiative at this stage.

3. UK agrees with Dept's third proposal—to arrange informally with SYG for report on any recent troop buildup in Kashmir. Never-

theless UK informed that chief UN military observer in Kashmir, reporting on recent incidents on cease-fire line there, saw nothing unusual in their occurrence and did not remark on any special troop buildup. However UK willing instruct UKUN join with USUN in acting on Dept's proposal.

4. UK actively considering what useful action might be taken at present juncture and is in close touch with other members of Commonwealth. UK also realizes importance of maintaining close touch with US and will certainly keep it fully informed on any action which UK may take. Generally speaking, however, UK thinks there is something to be said in favor action being taken by US independently rather than jointly with UK. UK notes US Ambs New Delhi and Karachi have in fact already made urgent approaches to GOI and Pak about present tension. UK is considering similar representations which it is hoped wld further emphasize to the 2 govts the seriousness of the situation.

Dept pls inform USUN.

Rptd info New Delhi 10, Karachi [19?].

GIFFORD

690D.91/7-3051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, July 30, 1951—7 p. m.

418. Garner (UKHC) who has been kept fully informed re developments reported Embtel 370, July 26 (rptd Karachi 25, London 21) and Embtel 383, July 27 (rptd Karachi 26, London 22) called today and showed Steere statement he making this afternoon under instrs to PriMin.

Garner explained statement was "at official levels"; that HMG thought best withhold intervention by PriMin Attlee for possible need later date.

Statement opened by expressing grave concern HMG at signs growing tension between Ind/Pak. HMG did not wish attribute motives but was disturbed at movement of troops to common borders. PriMin Nehru statement peaceful intentions had been noted but HMG wished to point out danger of incidents when troops face each other across borders.

HMG had noted GOP statement peaceful intentions and hoped 2 govts may by consultation find way to relieve tensions. HMG respectfully suggested limited withdrawal troops from borders as effective method preventing incidents.

HMG hoped both govts wld take all possible steps to relieve tension, hoped both wld consider what cld be done. HMG offered cooperation if cld be helpful.

Garner pointed out that instrs approved before desp Liaquat last msg to Nehru. Garner's instrs are to encourage GOI receptivity to Liaquat msg—to extent deemed advisable. He is also to sound GOI to ascertain receptivity to extension UNMOK activities to Punjab.

Rptd info London 24, Karachi 31.

HENDERSON

690D.91/7-3151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, July 31, 1951—11 a. m.

109. Burmese Amb¹ told me Sat midnight his govt approaching simultaneously Prime Ministers Indonesia,² India and Pak with proposal the Prime Ministers of Indonesia and Burma³ make joint visit to Delhi and Karachi and offer their good offices to Nehru and Liaquat to ease tension between the two countries which Burmese view with increasing alarm particularly about their own future. He said he was approaching Liaquat, that Burmese FonMin⁴ then visiting Delhi was talking to Nehru, and Burmese Prime Minister had communicated direct with Prime Minister of Indonesia. Proposal was being kept quiet and asked me to wait a day before saying anything about it.

Last night at a dinner given by the Prime Minister for the GovGen⁵ Burmese Amb told me proposal was all off. He said Liaquat was favorably inclined, the Prime Minister of Indonesia was also disposed to make the visit in company of Burmese Prime Minister, but Nehru had told the Burmese FonMin he wld not go along.

WARREN

¹ U Pe Kin, Burmese Ambassador in Pakistan.

² Sukiman Wirjosandjojo.

³ Thakin Nu.

⁴ Sao Hkun Hkio.

⁵ Khwaja Nazimuddin, Governor-General of Pakistan.

690D.91/7-3151 : Telegram

The Secretary of State to the Embassy in India¹

SECRET

WASHINGTON, July 31, 1951—9 p. m.

262. Embs' views requested on desirability Liaquat's visiting Delhi or mtg Nehru at some other place such as a point on Indo-Pak border. Dept realizes Liaquat's acceptance Nehru invitation fol Nehru's failure consider Liaquat's invitation, along with fact that Liaquat traveled to Delhi last year, might provoke strong reaction in Pak. Dept also realizes if Liaquat were encouraged go Delhi and re-

¹ Sent also to the Embassy in Pakistan as telegram 119.

turned empty-handed Pak reaction against those who had encouraged acceptance Nehru's invitation wld be unfortunate. Do Embs believe Liaquat might decide acceptance Nehru's invitation wld demonstrate to rest of world GOP's sincere desire for peace? Wld this possible advantage be outweighed by popular reaction in Pak against Delhi visit and by possibility India wld regard it as sign weakness?

What are Embs estimates practical progress which might be made if PriMins met?

ACHESON

690D.91/8-151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, August 1, 1951—1 p. m.

114. UK acting HICOM¹ discussed with me yesterday his call on Zafrulla under instrs from London re Deptel 19, July 30² and FonMin's comments.

He said both FonMin and FonSecy appeared relaxed in their attitude to Indo-Pak relations, the only good sign he sees in present sitn. FonSecy confirmed that Mohd Ali has been responsible for drafting of Liaquat's notes to Nehru in past two weeks. Burnett feels Mohd Ali is so bitter against India because of his own personal losses resulting from partition that his attitude colors Liaquat's correspondence with Nehru. I feel same way and expressed myself guardedly to Finance Min and FonSecy to effect that Liaquat's peace proposals as addressed to Nehru might have been more effective had they not been packaged in extraneous and bitter preamble.

Acting UK HICOM is depressed and apprehensive over the outlook and said yesterday he was informing his govt to that effect. My own feeling is that the press campaign is inflammatory and invitations to the provincial populations and frontier tribesmen to express their adherence to Liaquat's govt by mass demonstrations is dangerous. In my opinion two areas of most acute friction are tribal areas and Azad Kashmir in West Pak and villages Pak adjacent to Bengal. Provincial Governor Noon's appeal in Dacca to East Pak population to rally behind Pak might easily be utilized by extremist elements to provoke communal disturbances in that area. Shld this occur there is almost certain risk of war.

I visited the frontier tribal area bordering on Azad Kashmir two weeks ago immed before the announcement of Ind troop concentrations and found the population there preoccupied with campaign for

¹ R. R. Burnett.

² Reference is presumably to London's telegram 19 to Karachi, same as London's 590 to Washington, July 30, p. 1800.

December elections in the frontier province and expressing little concern over the Kashmir question at that time. But with campaigns now under way to arouse public feeling I feel that attitudes may change almost over night.

With Amb Henderson's approval I have sent Metcalf,³ Polit Secy, to consult with Emb staff in Delhi and Consul Gen in Calcutta en route to a week's observation in East Pak. If the tension eases I propose to make another visit to the northern frontier the last week in Aug to observe attitudes, not only with respect to Kashmir, but also with respect to Afghan ref Kabul's 68 to Dept.⁴

Shld Nehru be successful in delaying Graham's work through Aug by vague proposal on Kashmir demilitarization, I feel boiling point may be reached in Indo-Pak relations no later than mid-Sept. In view of this depressing outlook I recommend that US and UK suggest to their SC reps the desirability of having SC informally ask Graham for an interim report not later than mid-Aug, provided he has not already submitted his views on the probable success of his task, in order that thought may be given in the latter part of the month to an SC reminder to both govts that present tensions if not curbed are a threat to the peace.

WARREN

³ Lee E. Metcalf, Second Secretary and Vice Consul of the Embassy in Pakistan.

⁴ Telegram 68, from Kabul, July 27, suggested that there was a close connection between the Kashmir issue and the dispute between Pakistan and Afghanistan with respect to jurisdiction over the North-West Frontier Province and Tribal Areas. For text, see p. 1987.

690D.91/8-151 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, August 1, 1951—6 p. m.

660. Embtel 578 July 28 to Dept rptd New Delhi 18 Karachi 18.

1. Emb Off has seen replies from UKHC's New Delhi and Karachi describing reaction Zafrullah and Bajpai to representations briefly outlined Reftel. Both Zafrullah and Bajpai made polite but somewhat equivocal remarks general tenor of which was their own positions unassailable and concessions shld be made by other side.

2. New Delhi, Garner reported he suggested as on own personal initiative UN observers might be sent Punjab frontier. Bajpai reported to have replied this an entirely new suggestion and GOI had not considered such a possibility. He promised think it over.

3. In response to similar approach at Karachi Zafrullah said his govt had thought of this possibility but was reluctant at present

stage ask SC take any kind of action, although Pakistan might later appeal to SC if situation did not improve.

Sent Dept 660 rptd info New Delhi 21 Karachi 21.

GIFFORD

690D.91/S-251

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

SECRET

[WASHINGTON,] August 2, 1951.

Subject: Tension between India and Pakistan.

Background:

Among the many and complex difficulties between India and Pakistan two issues stand out at the moment:

(1) The urgent problem occasioned by recent troop concentrations, particularly in the Punjab where 90,000 Indians face 46,000 Pakistanis (See Tab A),¹ and

(2) The closely related, but longer standing, question of the disposition of Kashmir.

Although it is believed that neither party desires war, an incident might lead to open hostilities at any time. India is not likely to initiate action since she now holds most of Kashmir. There is increasing danger that public opinion in Pakistan will force the government to resort to war to prevent a *fait accompli* in Kashmir. Since elections to be held in Kashmir in the fall could result in a showdown on this issue, Indian troops were brought in, according to Mr. Nehru, as a defensive measure. Indian concentrations were completed on July 14, and Pakistan movements in reaction were completed on July 18.

Dr. Graham, who has gone out in behalf of the U.N. to help resolve the Kashmir problem, has wisely, we think, resisted becoming involved in the question of troop concentrations. In the meantime Dr. Graham continues his efforts to bring the parties to agreement on the demilitarization of Kashmir. We have been told that Liaquat Ali has given Dr. Graham "favorable commitments" and that Nehru has promised proposals in writing this week. We are not optimistic that Dr. Graham will be successful.

Action by outside countries on this crisis so far taken includes:

(1) UK discussions with India and Pakistan when troop movements first became known;

(2) Australian offer of "good offices" which Liaquat Ali Khan accepted and Nehru rejected;

¹ Annex entitled "Order of Battle—Kashmir and Indo-Pakistan Borders" not printed.

- (3) U.S. expression of deep concern;
- (4) *Démarche* by U.K. urging troop withdrawal and indicating availability of British "good offices";
- (5) Expressions of interest by both the Burmese and Indonesians in the easing of tensions. (The Burmese Ambassador in Karachi told Ambassador Warren that a tentative proposal by the Burmese Foreign Minister that the Burmese and Indonesian Prime Ministers jointly visit both capitals was "killed" by Nehru.)

The exchange of messages between Nehru and Liaquat Ali has continued. Liaquat Ali on July 26 asked Nehru to come to Karachi provided there had been prior withdrawal of troops, and Nehru replied on July 29 with an invitation to Liaquat Ali to come to New Delhi without any preconditions.

Discussion:

(A) Troop concentrations: It is believed that the immediate crisis caused by troop concentrations should be kept out of the Security Council, at least for the present. We are consulting daily with the U.K. and are in touch with other Commonwealth countries, in an effort to effect troop withdrawals. We should, in this connection, be prepared to send personal messages to Nehru and Liaquat Ali from the President, if the situation worsens and no alternative appears. Continuing consideration is being given to the use of U.N. observers between the two lines, using either the present U.N. military observers in Kashmir or the U.N. Peace Observation Commission. In case of hostilities immediate Security Council action on a cease-fire resolution should be taken.

(B) Kashmir: We may hope that Dr. Graham will succeed in effecting demilitarization of Kashmir through agreement between the two parties, but must anticipate failure. Alternate lines of action in that unfortunate event might be:

(1) Resolutions either in the Security Council or the General Assembly embodying the Graham recommendations or some variant of them.

(2) Action toward solving the problem by other Asian countries to be taken outside the U.N. (Indonesia, Burma).

(3) Attempt by the U.S. and U.K. acting jointly to seek an entirely new approach to the problem. Indian and Pakistan consent might be sought to deferring for a period of time, such as ten years, the determination of the accession of Kashmir, under conditions involving a combination of some of the following elements in Kashmir:

- (a) Partial partition of Kashmir;
- (b) Establishing an Indian-Pakistan condominium over all or part;
- (c) Establishing a U.N. trusteeship over all or part;
- (d) Obtaining political agreement between India and Pakistan as to propaganda, military forces, and local government;

(e) Establishing a joint Indian-Pakistan or U.N. Development Authority to provide for economic development, particularly through use of water resources;

(f) Establishing a joint Indian-Pakistan Water Commission to resolve broader differences relative to water rights both in Kashmir and the Punjab as recently suggested by Mr. Lilienthal.²

Recommendations:

That we continue action along the above lines but that we be prepared as follows:

(1) In the event of a worsening arising out of troop concentrations to be prepared for a personal appeal from the President to Mr. Nehru and Liaquat Ali;

(2) Planning be undertaken for a suggestion along the lines of that proposed in (3) above with respect to Kashmir, which would only be considered for execution in the event of a failure of Dr. Graham's present efforts.

² David E. Lilienthal, Chairman of the U.S. Atomic Energy Commission, 1946-1950. Mr. Lilienthal advanced this proposal in his article "Another 'Korea' in the Making?" in *Collier's*, August 4, 1951, pp. 22 ff. Discussion of this article, not printed, is included in Department of State files 690D.91/8-151 and 690D.91/7-2451. See also *The Journals of David E. Lilienthal*, vol. III: *Venturesome Years, 1950-1955* (New York, Harper & Row, 1966), pp. 65-281, *passim*.

357.AB/8-1751

Memorandum by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs of a Conversation Held on August 2, 1951

SECRET

[WASHINGTON,] August 17, 1951.

Subject: Tension Between India and Pakistan (Kashmir)

Participants: The Secretary

G—Mr. Matthews

NEA—Mr. McGhee

Mr. Kennedy

UNA—Mr. Hickerson

Mr. Meyers

1. On August 2, a meeting was held in the Secretary's office, to discuss the recent troop concentrations on both sides of the Indo-Pakistan borders and possible action concerned with the Kashmir Dispute. Mr. McGhee and Mr. Kennedy briefed the Secretary on recent developments.

2. It was generally agreed that the troop concentration aspect of the problem should be kept out of the Security Council for the present. We should be prepared to send personal messages from the President, to Prime Ministers Nehru and Liaquat Ali, if the situation

worsens. We should continue to explore with the United Kingdom the possibility of using United Nations observers between the opposing forces, employing either an expanded Kashmir military observer group or observers under the United Nations Peace Observation Commission. We should be prepared for immediate Security Council action on a cease-fire resolution in case of hostilities.

3. The Secretary concluded that further study should be given to action concerning the Kashmir Dispute, and stated that all possibilities should be explored, [and that] a "shot-gun" approach might be necessary. It might be well to have General Assembly consideration of the dispute, after Dr. Graham returns and if, as seems likely, he is unsuccessful in his present mission. However, it was agreed we could not assume that General Assembly opinion adverse to the Indian position would exert sufficient pressure to cause Nehru to adopt a more reasonable attitude in examining solutions for the dispute. Consequently, immediate and continuous attention should be directed toward developing all possible courses of action.

690D.91/8-251 : Telegram

*The Secretary of State to the United States Representative at the United Nations*¹

CONFIDENTIAL

WASHINGTON, August 2, 1951—7 p. m.

67. Re Kashmir (urtel 173, July 31):² Dept believes wld be better not fol line suggested by UKDel, by which joint UKDel-USUN approach wld be made to UN Secretariat requesting Secretariat have Nimmo include observations on troop build-up in Kashmir in regular bi-monthly report on cease-fire line, this report to be made public.

Making public any possible violations of Kashmir cease-fire line at this time might well add fuel to already tense situation in subcontinent. Moreover, when we proposed UK-US shld suggest SYG might ask Chief Milob to report any build-up in Kashmir (para 3, Deptel 44 to USUN, July 19), we thought we might gain valuable info, either on confidential or public basis. Now, however, our info indicates no real troop increment in that area, so principal purpose of this instruction has been obviated by events.

Ask UKDel if agree with this reasoning and FonOff reaction.³

ACHESON

¹ Repeated for information to London as telegram 772, to New Delhi as 282, to Karachi as 127, and to Canberra as 35.

² Not printed.

³ Telegram 718 from London, August 3, reported that the Foreign Office was agreeable, subject to the concurrence of the Commonwealth Relations Office, to refrain from having General Nimmo include in his reports observations of Kashmir troop movements (690D.91/8-351).

357.AB/8-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, August 3, 1951—7 p. m.

478. Ref Deptel 262, July 31 to Karachi 119.

1. Emb believes that two PriMins have taken such firm and uncompromising positions particularly in recent exchanges notes that meeting between them as result of one side giving way would be unfruitful at either Delhi, Karachi or border point and, therefore, undesirable at present time. Emb Delhi does not see basis for recommending that Liaquat be urged come Delhi now and believes possible disadvantages considerably outweigh advantages.

2. Emb doubts that much if any, practical progress wld be made if PriMins met based upon its beliefs recent Pak and Indian actions and countermoves have taken place (1) because India is determined take no action which wld result loss Kashmir to India: (2) because India wished be prepared for and to forestall possible Pak intervention and to guarantee holding consensibly;¹ and (3) because arrival Graham as UN rep had crystallized Kashmir issue and both India and Pak considered it necessary demonstrate their views re Kashmir by action and statement. Neither invitation, in Emb's opinion was put forward in belief other wld accept as neither is as yet prepared compromise on fundamental points.

3. Emb believes, however, despite foregoing, present state relations India and Pak provides situation into which third party cld step with proposal Nehru and Liaquat meet at neutral spot (New Delhi and Karachi alternately) for discussion interim solution present crisis. Proposal wld need have great authority behind it, embody elements of new approach, be practical and useful in present circumstances, and be consistent or reconcilable with current UN activities Kashmir. Emb considers courageous step necessary to halt dangerous deterioration in situation and believes suggestions meeting above criteria cld be devised which might be dramatic or forceful enough to break vicious circle now being trod in Liaquat-Nehru correspondence.

4. We shall endeavor put forward tomorrow certain thought which occurs to us from vantage point Delhi.

Sent Dept 478; rptd info Karachi.

HENDERSON

¹ Constituent Assembly.

357.AB/S-451 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, August 4, 1951—7 p. m.

495. Ref Embtel 478, Aug 3, rptd Karachi 35. Emb ventures suggest that specific points to be contained in new approach might include following:

- (1) Immed withdrawal to old positions by both countries of troops recently moved forward;
- (2) Agreement to use full authority and influence of govts to put end to press and other attacks on each other;
- (3) Partition of Jammu/Kashmir, except for valley of Kashmir, along line to be agreed;
- (4) Postponement elections and holding Constituent Assembly until after plebiscite has been taken in valley;
- (5) Agreement to hold plebiscite 9 to 12 months;
- (6) Agreement on demilitarization of valley and acceptance of UN police force recruited from small countries for use in valley during brief plebiscite period.

Emb believes new approach might have greater chance success if put forward by third party other than US or UK. Ideally, it shld be put forward by Graham, but for him to do so might prejudice his present mission re demilitarization. New developments in situation since SC res Mar 30 adopted may however make desirable Graham widen his approach even at risk charge exceeding his instructions. Emb envisages that such third party approach shld, following public announcement, be quickly endorsed by US, UK, and UN officials (Graham, of course, might be unwilling take such action unless he recd some private encouragement). If Graham nevertheless remained unwilling, some third country such as Canada, Indonesia, or possibly Iran, in view its reported Aug 3 approach to GOI, might be suitable alternative candidate.

Sent Dept 495; reptd info Karachi 37.

HENDERSON

690D.91/8-651 : Telegram

*The Secretary of State to the United States Representative at the United Nations*¹

SECRET

WASHINGTON, August 6, 1951—8 p. m.

76. Re Kashmir (Deptel 44 USUN, 458 London, July 19, rptd Delhi 169, Karachi 66, Canberra 23).

1. Dept agrees with FonOff objections to SC mtg at present as proposed Para 1 Dept reftel (London's 590, July 30).

¹ Repeated to London as telegram 823 and for information to New Delhi as telegram 303, to Karachi as 144, and to Canberra as 38.

2. Proposal contained para 2 reftel of course no longer feasible in view Nehru's rejection Menzies' good offices. However, we hope FonOff will follow up eventual possibility personal appeal by PriMin Attlee and also offer UK's good offices made by Garner (Delhi's 418, July 30, rptd London 24, Karachi 31). We wld be prepared support an appeal and encourage parties accept U.K. offer good offices if FonOff deems advisable.

3. (For para 3 reftel see Deptel 67 to USUN, Aug 2, rptd London 772, Delhi 282, Karachi 127, Canberra 35.)

4. We think there may still be advantages in using observers under POC or expanded Milob group (para 2 reftel) invited by both parties in border areas. However, we continue doubt advisability Graham becoming involved with troop movts in addition present task, and note Graham also reluctant (Delhi's 321, July 23; London's 470,² July 24). Re possible use observers, cld FonOff estimate probable number needed on borders in danger areas, on basis Brit experience in subcontinent.

5. We believe wld be very helpful if Nehru and Liaquat brought together. Does UN have any suggestions? Perhaps offer good offices shld now be directed toward obtaining mtg PMs for specific purpose effecting withdrawal troops to old positions and cessation propaganda.

6. Dept greatly appreciates comments and suggestions all Embs.

ACHESON

²Telegram 470 from London, July 24, not printed, reported in part that, as a result of a conversation between the U.K. High Commissioner in Karachi and Graham, the British were now well aware of Graham's reluctance to become involved in the troop movements dispute (690D.91/7-2451).

690D.91/8-851 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, August 8, 1951—3 p. m.

760. Deptel 76, Aug 6 to USUN, rptd London 823, New Delhi 303, Karachi 144, Canberra 38. At FonOff yesterday Emb Off reviewed Kashmir question with desk officer immed concerned along lines reftel. Fol are his preliminary reactions:

Re para 2 reftel. FonOff and CRO have very much in mind personal appeal by Attlee to good sense of Nehru and Liaquat, but feel this appeal shld be held in reserve for present. UKG concurs, however. Attlee appeal shld not be delayed if it appears events moving toward crisis. Dept of course aware Attlee in Norway.

Re para 3: FonOff has now recd from UKUN expression Dept's views as expressed Deptel 76 to USUN. Tentative reaction in FonOff-CRO remains as reported Embtel 718, Aug 3¹ to Dept.

Re para 4: FonOff thinking in accord with that of Dept. FonOff-CRO have discarded any idea of attempting involve Graham in troop movements. Re possible use of observers, UKG has recd no further comment from New Delhi or Karachi to "personal suggestions" by UKHCs that UN observers be sent to Punjab frontier (Embtel 660, Aug 1, rptd New Delhi 21, Karachi 21).² FonOff will ask CRO for estimate for observers needed on borders in danger areas; if CRO unable supply estimate it will consult UKHCs New Delhi and Karachi.

Re para 5: FonOff concurs as short term objective desirability bring Liaquat and Nehru together in order effect cessation propaganda and withdrawal of troops, but wld prefer await result present exchange communications between two PriMins. FonOff points out, however, Garner did not actually extend offer of good offices (New Delhi's 418, July 30);² he merely said it might be good idea if PriMins got together and mentioned as his own view his govt wld support such a move. This being the case it might prove difficult fol up such a tentative and informal suggestion.

FonOff desk officer thought it might now be possible fol up suggestion re use of observers but it wld of course be necessary consult CRO.

EmbOff will renew discussion question at first opportunity and will report any developments.

Dept may wish inform USUN and Canberra.

Sent Dept 760, rptd info New Delhi 25, Karachi 24.

HOLMES

¹ Telegram 718 from London, August 3, not printed, but see footnote 3, p. 1808.

² Not printed.

690D.91/8-151 : Telegram

The Secretary of State to the Embassy in Pakistan

SECRET

WASHINGTON, August 10, 1951—4 p. m.

157. Dept doubts feasibility Graham making informal interim report mid-Aug (last para Embtel 114, Aug 1) because 1) his obvious unwillingness devote himself to present crisis (Delhi tel 321 rptd Kar 21, Aug [July] 23) 2) such report not essential to permit SC action if necessary and 3) it wld undoubtedly prejudice successful conclusion Graham present work by possibly prematurely showing his hand.

ACHESON

690E.91/8-1051 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, August 10, 1951—7 p. m.

826. Embtel 760, August 8, rptd Delhi 25 Karachi 24.

1. Pak HC London¹ has informed CRO his govt concurs in "personal suggestion" by UKHC Karachi that UN observers be sent Punjab frontier (Embtel 660, Aug 1). Problem now before CRO is how to reopen subject with GOI. Desk level thinking is that UKHC New Delhi wld say he had reported conversation to his govt which had approved his initiative and had authorized him ask whether GOI had given consideration to possible use observers. Only if GOI reaction contd negative wld UKHC mention observers agreeable to Pak.

2. CRO now giving consideration to possibility, in event Graham reports he unable carry out his mission, of recommending that Pak troops garrisoning Kashmir be gradually replaced by UN forces and that, perhaps coincidentally, GOI troops in Kashmir be gradually withdrawn, thus paving way for polit settlement in less strained atmosphere. That this plan has pitfalls is obvious, but at least it is refreshing indication constructive thinking here.

Sent Dept 826, rptd info New Delhi 27, Karachi 26.

HOLMES

¹ Habib Ibrahim Rahimtoola, High Commissioner of Pakistan in the United Kingdom.

690D.91/8-1151 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, August 11, 1951—5 p. m.

164. Second Secy Fr Emb² informed Dept Aug 10 that Pakistan Amb recently requested Fr FonOff express concern to Indian Govt over recent Indo-Pakistan developments; that Amb was told Fr had already on several occasions (unspecified) told Indian Govt of great importance they attach to peace in South Asia; that Fr Govt considering possibility joint approach by US, UK and France to both India and Pak supporting conclusions reached by Graham Mission and urging both countries implement Graham recommendations; that Brit FonOff similarly advised; and that Fr FonOff desired US and UK informal reactions to proposed joint approach.

¹ Repeated to New Delhi as telegram 356, to London as 927, and to Paris as 941.

² Albert Fequant.

Dept reps pointed out that Graham report might not be available before end Sep; that three Govts concerned might then find it possible agree support Graham recommendations; and that in this event joint or other approaches to India and Pak, either through UN delegations or at Karachi and New Delhi, might be considered helpful.

Second Secy informed Secy Acheson's answer to questions Aug 8 press conference (plain tel follows)³ re US expression concern over mounting tension and (confidentially) that UK had also approached both Govts to express hope improvement Indo-Pak relations. He thought Fr might wish make similar approaches and inquired re exact suggestions already put forward by US and UK. He received no details US or UK approaches but was told Dept wld welcome consultation with Fr Govt if latter decided make similar *démarche*.

FYI only. Dept believes such Fr *démarche* may be resented by India. Emb Paris its discretion shld not encourage idea if consulted. Request London report Brit reaction re joint approach.⁴

ACHESON

³ Telegram 165 to Karachi, August 11, not printed, contained a summary of Secretary Acheson's comments at his press conference of August 8 to the effect that the United States had had discussions with India and Pakistan to the extent of expressing concern over mounting tension and hope that the governments could take some action to reduce it. The telegram also called attention to press reports which incorrectly stated that these discussions had taken place in Washington. (690D.91/8-1151)

⁴ Telegram 849 from London, August 13, reported that the British Foreign Office was also skeptical and cautious with reference to the advisability of a joint approach with France to India and Pakistan (690D.91/8-1351).

357.AB/8-1351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET

NEW DELHI, August 13, 1951—7 p. m.

597. Deptel 358 Aug 11.¹ Graham informed Emb today he does not believe there is any possibility at this time that GOI wld consider any action to secure postponement Kashmir Constituent Assem or commitment that Assembly wld not vote on accession question.

Graham added that he is in particularly delicate phase his discussions and wld not himself wish at this time to sound out attitude GOI toward Assembly questions.

HENDERSON

¹ Telegram 358 to New Delhi, August 11, read as follows: "Dept aware delicacy Graham's position (especially at this time) in attempting negotiate basis Kashmir demilitarization. Nevertheless, Dept wld appreciate Graham commenting, if he wishes, re possibility postponement Kashmir Constituent Assembly or GOI commitment this Assembly will not vote on accession question. Advise Dept promptly results." (357.AB/8-1151)

357.AB/8-1351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, August 13, 1951—7 p. m.

598. Dr. Graham who returned Delhi yesterday saw Nehru this afternoon and had very gen discussion. He is having dinner alone with Nehru Aug 15 at which time he hopes obtain definite indication PriMin attitude toward question upon which his mission has set itself to find solution.

Our discussions with both Graham and Devers indicate they are now somewhat disillusioned about possibility success their mission. Their pessimism seems largely to stem from pessimism high Pak auths about Nehru attitude. They expressed themselves as convinced that Pak auths were prepared consider nearly any measure necessary to solve Kashmir question subject only to non-jeopardy Pak security. GOI suggestions for demilitarization recd fol last mission visit New Delhi had afforded, in Devers judgment, some basis for joint Indo-Pak discussions demilitarization and Devers indicated mission's firm intention bring Nehru and Liaquat together discuss demilitarization before they wld be ready admit failure mission. Mission members not at all sanguine Nehru readiness agree in final analysis to demilitarization plan. Dr. Graham is hopeful, however, that Wednesday evening with Nehru will give opportunity in favorable atmosphere discussion with PriMin of Kashmir problem as major element in preservation world peace and as affording India, particularly of course PriMin, opportunity for setting example entire world, and from which India cld emerge as leader of entirely new effort toward peace and disarmament. Dr. Graham explained that he is not making starry-eyed approach but one which he thought, after careful study Nehru character, there might be bare chance of selling to Nehru, the idealist. If successful he thought this might lead India definitely over to side of western world.

Emb impression is that Graham conception is that time has arrived, if his mission is to succeed, he must persuade Nehru on broad general grounds of importance for India that it take lead for a definite solution of Kashmir dilemma.

Sent Dept 598, rptd info Karachi 47, London 36.

HENDERSON

357.AB/8-451 : Telegram

The Acting Secretary of State to the Embassy in India

SECRET

WASHINGTON, August 15, 1951—6 p. m.

378. Re Kashmir (Embtel 495, Aug 4) : Dept greatly appreciates reftel's suggestions. We have fol comments :

a. For present at least we think advisable so far as possible separate troop movement and Kashmir dispute aspects Ind-Pak tensions. Linking both aspects as part single approach wld undoubtedly hamper Graham's efforts effect demilitarization. Thus, we believe shld await Graham report before considering action along lines pts (3)-(6) reftel since these suggestions all concern matters bearing directly on Graham's mission.

b. Pts (1) and (2) reftel seem good basis for action re more immediate cause tension; the troop movements. (See para 5 Deptel 76 to USUN Aug 6 (rptd London 823, Delhi 303, Karachi 144)).

c. Pt (3) reftel describes one solution we hoped cld be effected by previous UN Rep Dixon. It remains possibility under certain conditions.

d. Pt (4) reftel wld be excellent immediate objective for any proposals dealing with Ind-Pak tensions. We are considering this, but have doubts Nehru wld be willing or cld afford call off Constituent Assembly, in view GOI and his personal stand to contrary. We note Embtel 478 Aug 4 [3] paragraphs 1 and 2(2) indicate doubts re suggestion pt (4) reftel.

e. Pts (5) and (6) reftel are really matters for Graham under present terms reference.

We agree with Emb that new approach might have greater chance success if made by party other than US-UK. We are considering possibilities including Indo and Can.

WEBB

690D.91/8-1651 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

CONFIDENTIAL

WASHINGTON, August 16, 1951—2 p. m.

991. Deptel 927, Aug 11. Fr Emb now states Fr wld like "associate themselves" with US in any future approaches, before conclusion Graham mission, re present crisis Indo-Pak relations and wishes know substance previous US action. Most likely Fr have been in touch with Brit on this question.

Fr Emb informed Aug 15 ¹ that US Ambs had informally expressed deep US concern to both PriMins over recent troop movements. mu-

¹ Memorandum of conversation with M. Albert Fequant, Second Secretary of the French Embassy, by Mr. Richard D. Gatewood, August 15, not printed (690D.91/8-1551).

tual recriminations by polit leaders and press both countries, and signs of communal uneasiness, urging utmost efforts be made avoid drift toward war and find solution for basic Kashmir problem; also that Fr interest this matter welcomed and that further advice wld be forthcoming.

Emb shld report Brit views. Assoc of Fr with any further expressions US and UK concern might be helpful if such expressions become necessary, but Dept does not want take position now.

FYI only: Background Fr interest appears be reported talks last week between Fr reps at Karachi (with Auchinleck) and Calcutta (with Cariappa) ² indicating Auchinleck's conviction that war will start in Oct, despite its disastrous consequences for Pak, and Cariappa's opinion that Pak is bluffing.

WEBB

² Gen. K. M. Cariappa, Chief of Staff and Commander in Chief, Indian Army.

UNP Files: Lot 59D237

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State

SECRET

[WASHINGTON,] August 21, 1951.

Subject: India-Pakistan Relations—Kashmir, for Review at the NSC.¹

The following is for use in a review of the Kashmir problem for the NSC:

During August there has been no relief of India-Pakistan tension. This tension became acute when, with Indian approval, plans were announced to form a constituent assembly in Indian-held Kashmir to determine the future "shape and affiliation" of the state, and culminated in mid-July with the concentration in the Punjab of 90,000 Indian combat troops separated by ten to twenty miles from 46,000 Pakistan combat troops. (This is in addition to Pakistan-Azad and Indian troops facing each other along the cease-fire line in Kashmir and on the borders between East and West Bengal.) Contrary to statements by Mr. Nehru, our military intelligence reports that India has reinforced its strength in Kashmir. Although both Prime Ministers have said they will not launch an attack on the other country, their

¹ At the 100th meeting of the National Security Council on August 22, with President Truman presiding, the NSC discussed the subject of relations between India and Pakistan in the light of an oral report by the Secretary of State. No policy decision was made as a result of the discussion. (NSC Action No. 529, S/S-NSC (miscellaneous) files, lot 66D95)

recent speeches have been more bellicose than before, and both have pledged never to give up Kashmir.

Although we doubt that either country desires war, under this tense situation it is possible that some untoward incident might lead to hostilities. India now occupies the most desirable part of Kashmir and is confident of its strength; the Government of Pakistan is aware of its comparative military disadvantage but is under pressure to resort to war to prevent a *fait accompli* in Kashmir. Elections for the constituent assembly will be completed by the end of September. These elections will probably precede somewhat Dr. Graham's report to the Security Council on the results of his current efforts to help solve the Kashmir impasse. It is likely therefore that a crisis in India-Pakistan relations will come in mid-September.

We are considering means whereby the probability of armed conflict may be reduced, including the use of either the present military observers in Kashmir or the machinery of the UN Peace Observation Commission to observe the military situation in the Punjab and the sending of Presidential messages to Nehru and Liaquat Ali Khan if the situation worsens and no alternative arises. We believe Security Council action is unnecessary at the moment because a Council meeting at this time might hamper Dr. Graham's possible success through a further hardening of attitudes by the participants and because action already taken by outside countries (Tab A) might have had some restraining effect.

In case of hostilities we would urge an immediate cease-fire resolution by the Security Council.

We are not sanguine that Dr. Graham will succeed in effecting a demilitarization of Kashmir through agreement between India and Pakistan, but his report may contain recommendations which offer hope that some progress toward a settlement can be made. We are inclined to believe that if, by the end of September, Pakistan has hope of progress toward a settlement with UN support, Liaquat Ali will be able to resist those in Pakistan who favor gambling all on a military adventure.

Continuing effort is being devoted to consideration of future steps, including in particular what should be done if Dr. Graham does not succeed in obtaining agreement on demilitarization. No decision has been reached as yet on this. We continue to desire the UK to "take the lead". (Tab B lists certain possibilities.)

We do not contemplate additional UN action with regard to India-Pakistan relations while Dr. Graham is on the scene as the agent of the Security Council and so long as it appears that both governments remain disposed to avoid open conflict.

Tab A

ACTION RECENTLY TAKEN BY OUTSIDE COUNTRIES WITH RESPECT
TO KASHMIR

1. UK discussion with India and Pakistan when the troop movements become known in mid-July.
2. An offer by Menzies of Australia of good offices which was accepted by Liaquat and rejected by Nehru.
3. An expression to both governments of our deep concern.
4. A further approach by the UK urging a withdrawal of troops in the Punjab and intimating the availability of British good offices.
5. Expressions of interest by both the Burmese and the Indonesians in an easing of tension. (Quashed by Mr. Nehru)
6. A Canadian expression of concern to Nehru on August 10.
7. A proposal by France that it associate itself with US-UK in future efforts to relieve tension.
8. Expressions to us by Canada, Australia, and New Zealand of their concern and their wish to help in removing the threat of war.
9. A reported Iranian approach to India and Pakistan.

Tab B

POSSIBLE FUTURE LINES OF ACTION—KASHMIR

1. A resolution by the Security Council embodying the recommendations which Dr. Graham may make or a variant of them.
2. General Assembly consideration and expression of opinion in regard to the approaches previously taken by the Security Council and the General Assembly's attitude on the assumptions and attitudes of both parties. We cannot assume, however, that General Assembly opinion adverse to the Indian position would, of itself, exert sufficient pressure to cause Nehru to adopt a more reasonable attitude. Consequently, it may be advisable to couple this with other action.
3. A request to the International Court of Justice to render an opinion regarding the legality of the act of the Maharaja of Kashmir in acceding his state to India. We are doubtful of the wisdom of this step since considerable time would elapse before a decision would be made, other action might be blocked pending a decision, and despite tentative opinions of our own legal experts and those of the UK, a decision adverse to our purpose might be rendered. However, we may find it advisable to follow this step as a last resort.
4. Action toward solving the Kashmir dispute through the intercession of other Asian nations outside the United Nations.

5. An attempt by the United States and the United Kingdom to seek an entirely new approach to the problem. The two countries might be asked to defer for a period such as ten years, the determination of the accession of Kashmir, under conditions involving a combination of some of the following elements:

(a) A partition of Kashmir by religious majority areas leaving the Vale under UN administration.

(b) An India-Pakistan condominium over all or part of the state.

(c) A United Nations trusteeship over all or part of the state.

(d) An India-Pakistan or United Nations Development Authority to provide for economic development particularly through the use of water resources.

(e) A joint India-Pakistan water commission to administer plans for the best joint use of water both in the Punjab and in Kashmir.

690D.91/8-2251

Memorandum by Mr. William L. S. Williams of the Office of South Asian Affairs

SECRET

[WASHINGTON,] August 22, 1951.

[Subject:] French Interest in the Kashmir Issue

Discussion

The French Foreign Minister¹ may raise the question of the association of France with U.S.-U.K. efforts to improve Indo-Pakistan relations and to help in reaching a settlement of the Kashmir dispute. Growing French interest in this matter became evident in mid-August when the French Foreign Office expressed a wish to associate itself with the U.S. and U.K. It may be recalled that the French supported the most recent Security Council Resolution on Kashmir, which was generally favorable to Pakistan. It is possible that the basic motives for increased French interest are a wish to assert France's position as a great power and to enhance French prestige in Muslim countries by a display of friendly concern with the problems of Pakistan, the largest and most populous of Muslim states.

French-Indian relations are adversely affected by the existence on the coast of India of four French establishments, the remnants of French colonies in India, and by India's refusal to recognize the Associated States of Indochina. It is believed that the French attach relatively little importance to the retention of their tiny possessions

¹ Robert Schuman, the French Minister of Foreign Affairs, was to attend the meetings of the Foreign Ministers of the United States, the United Kingdom, and France in Washington from September 10 through 14.

in India provided a fair plebiscite, required by the French Constitution, indicates the desire of the inhabitants to become Indian citizens. We believe it is undesirable to encourage the French to enter into the same relationship with us on Indo-Pakistan affairs as that we now have with the British. We question the usefulness of support for our policies and close association with us in actions to further our policies in India and Pakistan by France, which is generally considered by Asians as devoted to unprogressive colonialism. On the other hand, we wish to maintain French support in the UN for our policies in the Kashmir issue.

Recommendation

If the French Foreign Minister should raise this subject, a reply along the following lines is suggested :

1. We welcome French interest in this difficult question and trust that France will find itself able to lend maximum support in the Security Council to any feasible recommendations that Dr. Graham may make for the solution of the Kashmir dispute.

2. If the U.S. makes any high level approaches to India and Pakistan we shall keep the French informed and advise them if they so desire of our views as to their possible contribution.

3. For the present, barring further heightening of the tension, it may be desirable to avoid giving the Indians the impression that the Western powers are "ganging up" on them.

357.AB/8-2351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, August 23, 1951—2 p. m.

707. Emb appreciates logic Dept comments Deptel 378, August 15 particularly re separation troop movements and Kashmir dispute in order not prejudice Graham efforts demilitarization.

To obviate any possible misunderstanding its suggestions para 3 Embtel 478, August 3 and Embtel 495, August 4, Emb wishes make clear :

- (1) They were intended for use as a whole;
- (2) But only in event (a) current (troop movement) tension shld take critical turn threatening war and break down Graham efforts, or (b) Graham efforts shld themselves break down. In either event, we believe situation wld have to be regarded of such seriousness as to require new effort or approach to avoid possible disaster.

At time ref cables it seemed possible Nehru-Liaquat exchanges might degenerate into real crisis. This immed prospect passed but tension persists and possibility explosion being touched off remains

(note Lahore 13 August 17 to Karachi, passed Delhi as Deftel 418, August 21),¹ as well as likelihood renewal tension Sept incident to carrying out Const Assembly plans Kashmir before Graham mission reports back.

Emb believes new approach shld be ready for use in event seriously critical situation does develop. It is our impression Graham, if his mission shld fail or seem certain do so, wld himself be willing consider new approach, and we believe that it wld be preferable, from many points view, that he—rather than some third nation—shld handle. It is Emb's belief Graham is building great personal prestige which wld be of high value in event critical turn.

HENDERSON

¹ Not printed.

McGhee Files : Lot 53D468

*Paper Prepared in the Office of South Asian Affairs and the Office of United Nations Political and Security Affairs*¹

SECRET

[WASHINGTON,] August 27, 1951.

KASHMIR DISPUTE: FUTURE ACTION

PROBLEM

The problem is to determine, to the extent possible prior to Dr. Graham's report, what future steps should be taken with respect to the Kashmir dispute. It is assumed that the current crisis arising out of the July concentrations of practically all Indian and Pakistan combat troops along common borders and the September "elections" of the Kashmir constituent assembly will not result in immediate hostilities; also that Dr. Graham will be unable to effect demilitarization of Kashmir.

DISCUSSION

1. Immediately following Dr. Graham's report to the Security Council, the Council should discuss the report. If the report contains recommendations which appear to offer reasonable hope of advancing the dispute toward a mutually acceptable settlement, the United Kingdom, United States and other members might introduce a resolution embodying those recommendations deemed feasible.

2. If Dr. Graham's report does not provide basis for making substantial progress toward a settlement of the dispute, immediately following its presentation to the Security Council, the Council should

¹ Drafted by the Director of the Office of South Asian Affairs (Kennedy) and Messrs. Howard Meyers and Eric Stein of the Office of United Nations Political and Security Affairs.

discuss the report and adopt a resolution requesting the General Assembly to consider the Kashmir dispute, making recommendations in regard to the approaches previously taken by the Security Council and any possible solutions. Other provisions of the resolution would be determined by any recommendations made by Dr. Graham as well as by the outcome of the consultations and the discussions in the Council. If the Security Council is prevented by a veto from adopting such a resolution, the question should be placed on the General Assembly agenda for the Assembly's consideration and expression of opinion, which is technically feasible but not as preferable as its recommendations would be. The Security Council would remain seized of the problem during the Assembly consideration. The action in the Assembly should be directed towards:

a) increasing the pressure upon the parties to accept peaceful solutions by focusing world opinion on the dispute, and,

b) exploring any new possible approaches which may be suggested either in Dr. Graham's report or which may come from other quarters. A thought might be given to retaining the services of Dr. Graham in his present or some other capacity.

3. At the time of the Assembly consideration, Asian countries should be discreetly stimulated to make independent and apparently spontaneous approaches to the parties. It would be best for them not to base their respective approaches on any previous action or proposal but rather to endeavor to take a fresh look at what might bring about agreement between the parties.

4. The United States and the United Kingdom should agree as soon as possible on an entirely new approach to be put forward jointly or independently, as decided upon later. At some stage, to be determined subsequently, presumably United Nations action would be required. The elements of such an approach might be:

a) Immediate partition of Jammu and Kashmir except for the Vale on a basis mutually acceptable to both parties, insofar as possible utilizing the principles employed in the partition of British India.

b) A United Nations administration for the Vale for a specified period (five to ten years). Indian and Pakistan forces to be completely withdrawn from the Vale. In this connection, a proposal might be made that United Nations forces (non-United States) replace the Indian and Pakistan troops.

c) An agreement between India and Pakistan which would specify that:

(1) A plebiscite in the Vale would be held at the end of a specified period (five to ten years) under United Nations auspices.

(2) The parties would refrain from all propaganda activities directed against each other during this period.

(3) The two countries would guarantee to maintain law and order in the portions of Jammu and Kashmir given them and would not threaten in any way the Vale.

(4) The two countries would agree to accomplish a substantial reduction of any of their forces remaining in that part of Jammu and Kashmir transferred to their sovereignty, and would consult with the United Nations representative in implementing this undertaking.

d) A United Nations Development Authority for the Vale which would provide for its economic development and improve living conditions for the people, and which might in consultation with the parties be extended to other parts of Jammu and Kashmir.

e) An Indo-Pakistan Water Authority which would undertake the joint development of the water resources shared by the two countries. Funds for this program could come from either the Mutual Security Program or the International Bank for Reconstruction and Development.

5. If there is no indication that the parties may be receptive to the plan envisaged in the new approach, the new approach should not be put forward until it appears that the lines of the action contained in paragraphs 1-3 are not likely to lead to any constructive results. If there is an indication that the parties may be receptive to this plan, it may be raised in connection with the proceedings of the General Assembly or in any negotiations which may arise as a result of the Asian initiative contemplated in paragraph 3 above. Some of the elements mentioned in paragraph 4 may be included in Dr. Graham's recommendations and in a subsequent resolution of the General Assembly.

6. If the new approach also is not acceptable, a group of countries including the Commonwealth nations and the United Kingdom, the United States, Near Eastern and Asian countries might jointly make representations in the hope that the parties would choose the line they were willing to accept, or put forward a mutually agreed line of their own.

7. Further action may be required in the Security Council. The Council might well consider providing some form of continuing mediatory machinery to take advantage of any changes in the situation, and to be available for use by the parties in case either or both wishes to approach the other through United Nations means. This machinery could take the form of an SC representative, with an indefinite term of office, who would report progress or lack of progress to the Security Council at specific periods.

8. At some time in the course of our efforts, we might consider asking the Security Council to request the International Court of Justice to render an advisory opinion regarding the legality of the

act of the Maharaja of Kashmir in signing an instrument of accession to India. If the ICJ finds the accession was invalid, this would knock out one of the principal Indian arguments supporting their occupation of Kashmir. On the other hand, this submission of this question to the Court would be hazardous, since considerable time would elapse before a decision would be made, other action might be blocked pending a decision, and despite the tentative opinions of the United Kingdom Foreign Office and our legal Adviser a decision supporting India's claims could conceivably be rendered. This eventuality would weaken Pakistan's position.

RECOMMENDATIONS

That the above plan be discussed with the United Kingdom as soon as possible in Washington.

CFM Files : Lot M-88 : WFM British and French Talks

*Paper Prepared in the Bureau of Near Eastern, South Asian, and African Affairs*¹

SECRET

WASHINGTON, August 28, 1951.

ALIGNMENT OF US-UK POLICIES IN THE MIDDLE EAST

KASHMIR

The Problem

The absence of recent progress with respect to Kashmir and the concentration by both India and Pakistan of practically all their combat troops along common borders presents a situation of gravest concern. Dr. Graham may achieve some success but this is not anticipated.

US Objectives

Our long-run objective is a lasting settlement of the Kashmir dispute which would eliminate this problem as a cause of tension. We desire that armed conflict be avoided and some progress towards solution be made.

Probable Position of the UK

The UK is fully aware of the seriousness of the situation and is urgently looking for ways to ameliorate it, but has not yet given any clear indication of new measures which it believes would be helpful.

¹Prepared as a briefing paper for the meetings of the Foreign Ministers of the United States, the United Kingdom, and France, to be held in Washington, September 10 through 14. In the records of the meetings the paper was designated as document WFM B-2/3b. The Kashmir dispute was considered at the meeting of September 10; see the extract from the minutes of that date, p. 1837.

The UK is willing, but perhaps reluctantly, to retain the lead, but desires, as we do, continued close consultations with us and coordinated action. We may find it necessary to detail our views on particular issues between India and Pakistan and on certain aspects of the Kashmir dispute, such as the question of troop withdrawals or the nature of UN supervision during a plebiscite. The British may not be disposed to do this because of their wish not to risk offending India and thereby increasing Indian sentiment for withdrawing from the Commonwealth. It is probable that the British Foreign Minister will concur in our view that inaction or weak action now could result in the necessity of our taking strong action later under even worse conditions.

It is likely, however, that the British will be inclined toward some procedure which would result in their not risking the responsibility for steps which might not have the desired effect. The British Government seems willing to stimulate additional steps such as offers of help by third countries or further UN action, but may be expected to be very cautious as regards open intervention by itself, on a unilateral basis. It is fully aware that any reasonable proposal designed to bring about progress in the settlement of the Kashmir dispute along the lines laid down by the United Nations will be resisted and resented by India.

Position To Be Presented

1. It is hoped that close US-UK coordination will continue, with the UK in the lead. We believe that the present situation is so dangerous that we cannot acquiesce in inaction or weak action if hostilities are to be averted and if British and/or US prestige is to be preserved in India and Pakistan. We believe that the alternative to forceful action by the British and ourselves would have consequences so grave that by comparison Indian displeasure would be the lesser evil.

2. We know the UK has considered a personal plea by Attlee and would appreciate knowing its status, including its timing and character. We also have in mind an appeal by the President to be made if hostilities appear imminent.

3. We would like to know the Foreign Minister's appraisal of the likelihood of an outbreak of hostilities and when it might occur. We believe that the election of the constituent assembly in Kashmir is the danger point but that barring incidents Pakistan will be unlikely to resort to force if some hope of progress toward a settlement exists. We should like to know the opinion of the Foreign Minister as to what would be acceptable to Pakistan as constituting hope of progress. Specifically, would a US-UK promise of further action in the Security Council or General Assembly be enough?

4. We are studying certain broad alternatives with respect to future steps:

- a. Continued action through the UN;
- b. US-UK separate or joint action outside the UN;
- c. Intervention by Asian countries (i.e., Burma, Indonesia; possibly Turkey and Iran) in spontaneous pleas and offers of assistance;
- d. Postponement of the disposition of Kashmir for an extended period (such as 10 years) and provision for third party direction of the affairs of the state (such as UN trusteeship) combined with UN or US assistance in providing for economic development during this period; and
- e. Combinations of these alternatives.

The Foreign Minister's thoughts as to the best general line of action would be appreciated. Specifically, would it be better to depend on UN action, to try some line outside the UN, or a combination of both?

Discussion

Mr. Black, president of the IBRD, is thinking seriously of addressing letters to both Prime Ministers offering "good offices" in connection with furthering consideration of the Lilienthal proposal for a joint Indo-Pakistan water authority. Mr. Black is considering suggesting that, if the two Governments desire to approach the development of the Indus water resources along the proposed lines, he would be happy to recommend that the Bank give appropriate assistance, including making available qualified members of his staff and considering any related financial proposals. Officers of the Department have informally indicated their interest in Mr. Black's suggestion, but have said that they believed it would be wise for the US to remain dissociated therewith, in order that it would be apparent that this development had occurred spontaneously with Mr. Black.

[Annex]

SECRET

WFM B-2/3b
(Supplement)

VIEWS OF THE EMBASSY IN LONDON ON PROBABLE BRITISH ATTITUDES
ON SUBJECTS TO BE DISCUSSED IN THE WASHINGTON FOREIGN
MINISTERS' MEETINGS

KASHMIR

The Foreign Office regards the situation as extremely dangerous, and Morrison will probably propose that we endeavor to get the Security Council to refer the matter to the Assembly thus putting the matter into a wider forum where the veto does not apply.

McGhee Files: Lot 53D468

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] August 29, 1951.

Subject: Kashmir—Current Situation.

During August there have been no significant changes in the Kashmir situation. Nehru and Liaquat Ali Khan have ended their exchange of telegrams, but both Governments have now issued "White Papers", India charging Pakistan with aggressive intentions, and Pakistan charging India with not having accepted the partition of British India. There have been minor changes in troop dispositions in Kashmir and the Punjab border. Contrary to Indian statements Pakistan intelligence reports that Indian Army strength in Kashmir has been increased during the past three months by eight battalions (about 6500 men). It also appears that the bulk of the Pakistan Army units in Kashmir are now deployed within Pakistan. Orders have been issued on both sides that patrols be held back in order to avoid the possibility of an incident.

Dr. Graham saw Nehru on August 26, and it is likely that they discussed demilitarization details. He flew to Karachi on August 27. We are not in direct touch with him and do not know what he is proposing.

Elections in India-held Kashmir to form a constituent assembly, with the support of the Government of India, and Pakistan opposition to this plan were the immediate causes of rising tension which recently reached an acute stage. The elections are to be held September 10-30. Abdullah's Government has publicly stated that these elections "shall be the only and final plebiscite". On August 25 the Indian Deputy Foreign Minister reportedly denied that there had been any Security Council advice against the constituent assembly. The Security Council Resolution of March 21, 1951, stated that "any action that the Assembly might attempt to take to determine the future shape and affiliation of the entire state or any part thereof would not constitute a disposition" of the state in accordance with the method agreed to by the two parties.

The United Kingdom High Commissioner approached Bajpai with a suggestion that military observers be posted along the Punjab border, and Bajpai's reception of the suggestion was not favorable. It is likely that a new crisis will come at about the time the elections in Kashmir are completed and Dr. Graham submits his report to the Security Council.

690D.91/8-3051 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, August 30, 1951—6 p. m.

1153. At FonOff it has been learned of a suggestion apparently made by desk officers in the Dept that UK and US officials have preliminary discussion in Wash on working level on Kashmir problem prior to formal meeting of Fon Mins. FonOff plans to indicate next day or so thru Brit Emb this suggestion quite agreeable.

Such indication being held up temporarily pending final clearance briefing for Fon Secy. Any such talks wld of course be purely exploratory and any conclusions reached wld be subj clearance in London. It is thought in FonOff that developments immediate future, such as projected visit of Graham to US early Sept and Sov participation San Francisco,¹ will likely have considerable bearing on Indian-Pak relations, but in any case working level discussions wld certainly be useful exercise.

HOLMES

¹ Reference is to the Conference for the Conclusion and Signature of the Peace Treaty With Japan, held in San Francisco, September 4-8. For documentation on this subject, see pp. 777 ff.

357.AB/9-151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, September 1, 1951—8 p. m.

821. Ref Deptel 495, Aug 31.¹ No foundation whatsoever Graham planning depart for NY Sept 4. He told Steerc and me today he determined show utmost patience and not allow self be hurried. He might even find it advisable ask extension term of mission. He maintained he not discouraged although he could not report any concrete steps forward. He believed, however, he was gaining confidence Nehru and hoped make use his position to obtain concessions both sides which might eventually break deadlock.

His tactics apparently are to start with broad approach of type which might appeal both sides and then gradually narrow discussions until he comes to specific issues.

¹ Telegram 495, to New Delhi, August 31, read as follows:

"UK Del just informed USUN UK HICOM Delhi says reservations were made for Graham departing Delhi Sept 4 en route NY. Confirm and query Graham re meaning departure now. Does this imply mission total failure? Explain Dept anxious extend all possible aid and wld greatly appreciate knowing general outline his thoughts and possible recommendations, in order consider next steps in S.C." (357.AB/8-3151)

Departure story probably relates three or four junior members of mission who leaving soon; majority remaining.

HENDERSON

357.AB/9-551: Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, September 5, 1951—noon.

1220. Deptel 495, August 31 to New Delhi rptd London 1284.¹ Fact that Graham planned return to US has been known to FonOff for past week (Embtel 1153 August 30).

Acting head, Southeast Asia Dept told EmbOff yesterday, in strict conf, Pak Govt source of info Graham now ready write his report embodying fol: 12 point plan for neutralization Kashmir both sides agreeing in advance to withdraw to predetermined line at an agreed time. Neutral forces (Comwlth or other UN) would garrison step by step areas from which Pak and Azad forces would withdraw; no garrisoning by neutral forces of areas from [which] Indian forces would withdraw.

Above plan said to have support GOP and qualified support GOI.

HOLMES

¹ See footnote 1, *supra*.

357.AB/9-551

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET

NIACT

NEW DELHI, September 5, 1951—2 p. m.

852. 1. Graham told Steere and myself this morning in utmost confidence that after long talk with Nehru yesterday he has almost come to conclusion that it useless for his mission remain longer in South Asia. He might make definite decision this regard in matter hours. If he should arrive such conclusion he would probably prepare leave South Asia soon because he believes it would be harmful interests his mission in UN for it stay after it had become clear it could accomplish nothing more. Prestige mission with GOI and GOP still high but would fall rapidly if it should begin frittering time in India. He had found both GOI and GOP willing talk generalities and agree to general principles but when he offered concrete suggestions he made absolutely no headway, particularly with Nehru.

2. He had decided before leaving South Asia present his mission's plan for demilitarization to both India and Pakistan. Nehru might not like the proffering by him of suggestions nevertheless he thought it would be only fair to UN for him make some concrete suggestions.

He would keep proposals and answers thereto secret until his report to SC would be made public.

3. For some time number of Graham's assistants have been impatient with him for staying on in South Asia. He has refused, however, consider leaving as long as there was even glimmer of hope. He now regretfully appears be nearing decision no further hope exists. We agree that it would be advisable for him leave when he once becomes convinced there is nothing more to be accomplished.

HENDERSON

357.AB/9-551 : Telegram

*The Acting Secretary of State to the Embassy in India*¹

TOP SECRET PRIORITY WASHINGTON, September 6, 1951—11 a. m.

524. Re Kashmir (urtel 852, Sept 5) :

Dept agrees your comment wld be advisable for Graham leave when he once becomes convinced there is nothing more to be accomplished in subcontinent. However, in view Ind-Pak comments Dixon left before exhausting all possibilities, we consider advisable Graham not depart until sure adequate time has elapsed without hopeful responses after submission his proposals to GOI-GOP. If Graham asks your opinion this regard, you shld express this view while making clear US not attempting influence him re decision.²

WEBB

¹ Repeated as telegram 266 to Karachi and 124 to New York.

² The following comment was added in telegram 538, to New Delhi, September 6, repeated as telegram 270, to Karachi :

"Further urtel 852, Sep 5, we believe that report Graham contemplates filing might be 'interim' in nature to prevent further freezing of situation. You might discreetly convey this thought to him.

"FYI we are desirous that Graham consult in NY before making report to SC." (357.AB/9-551)

357.AB/9-651 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET NIACT NEW DELHI, September 6, 1951—6 p. m.

871. Embtel 852 Sept 5.

1. Graham told me complete confidence following today :

(a) Commission decided not present complete plan demilitarization for consideration GOI and GOP but give to each govt simultaneously and in writing identical documents containing several numbered points or suggestions re demilitarization with request for views re each. Approval of all these points or suggestions wld in effect represent approval of complete outline of plan for demilitarization. Commission feared that if integral detailed plan presented to each govt and if one govt shld accept and other reject govt which accepted might

feel itself entitled become militant because it had UN behind it and that danger of outbreak of hostilities which seemed to have declined during recent weeks might revive. If each govt wld accept commission's invitation give its written views on each point or suggestion replies which shld clearly show issues and differences involved wld be included in Graham's report to SC.

(b) Graham plans have documents containing points or suggestions delivered within next 48 hours. He expects take final departure from New Delhi morning Sept 8 proceed Karachi to bid farewell GOP officials, then continue Geneva to prepare report. He will leave member mission behind to receive and carry replies to Geneva.

2. Our impression Graham and his assistants have thus far acted with wisdom, tact and restraint. We believe their decision to submit number points and suggestions rather than integral plan sound. We do not know contents document at present under preparation but are sure it being drafted with great care, in close accord with terms reference and with desire demonstrate complete fairness to parties concerned.

HENDERSON

357.AB/9-751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, September 7, 1951—10 a. m.

874. Took occasion this morning express view Graham as suggested last para Deptel 524 Sept 6. He replied he had given matter careful consideration. Fact was however he had already recd informally from both govts replies to points and suggestions contained in document to be presented to them today. He did not believe therefore it wld serve any useful purpose him stay on merely in order receive formal document setting forth what had already been given him informally. He convinced time has come for him leave SOA and is therefore going on with plans set forth Embtel 871 Sept 6.

Rptd info Karachi 57.

HENDERSON

690D.91/9-751 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

SECRET PRIORITY NEW YORK, September 7, 1951—3:19 p. m.

317. Re Kashmir: This confirms my telecon with Sandifer¹ suggesting supplementary telegram to Henderson recommending Graham sus-

¹ Durward V. Sandifer, Deputy Assistant Secretary of State for United Nations Affairs.

pend decision whether to file final or interim report until his arrival in NY. This suggestion is based on ideas we think should be put before Graham on his arrival.

a. Kashmir case is entering on dangerous phase with Graham unable to effect demilitarization, constituent assembly elections in prospect and troops concentrated on India-Pakistan borders. To meet this situation we put forward following suggestions, all of which to be discussed with Graham for his reactions.

1. Graham at the earliest possible moment would make an interim report to the SC. This report would not imply any failure of his mission and might contain part, but not necessarily all, of his factual material and conclusions. He would also be requested to appear in SC to present his interim report, preferably within the next week or ten days.

2. After brief general debate, SC would adopt a res broadening his powers so that he could act as general mediator of over-all differences between India and Pakistan. Resolution would also extend his term indefinitely.

3. At about the same time, or perhaps delayed to blanket activities of Kashmiri constituent assembly, SC would adopt a second res requesting POC to set up the necessary machinery to observe and report on the situation along the cease-fire line in Kashmir and also along the India-Pakistan frontiers both east and west.

4. Graham would have an opportunity for consultation with UN members here. We would expect during these consultations to urge on Graham the importance of his continuing with the case as he did in Indonesia and we would then put before him possible courses of action or elements of a general plan (discussed below) which, subject to his best opinion, might move this dispute along by giving India and Pakistan something to think about in terms of a more secure future.

b. Starting the POC in motion to get observers into the area would allay tension caused by troop concentrations and would blanket publicity given any decision by Constituent Assembly on question of accession of Kashmir. POC action would help calm Pakistan's fears of *fait accompli*. We would think it desirable to have observers in Pakistan even if India did not accept them. India would know that the UN would get unbiased reports of any military incidents and Pakistan would have cogent reasons for restraining the tribesmen. This would also minimize the chances of India goading Pakistan into a first act of aggression.

An additional proposal which merits discussion with Graham is that of placing UN (non-US) forces in the area on either or both sides of cease-fire line.

We think SC should retain case rather than pass it to GA unless SC should be frustrated by Soviet veto. GA cannot contribute to substantive solution and India may well have written off moral opinion of world community on Kashmir as it did in Hyderabad case in 1948. Also, presentation of case in GA would risk several splits in free world majority and might complicate handling of Korean case in 6th GA.

It seems to us important to keep Graham as effective contact and spokesman for a solution of Kashmir dispute which might include various elements mentioned below. Thus we would have him installed in that role and engaged in preliminary discussions before his final report is published. This would avoid freezing Kashmir dispute to *status quo* which might boil up into hostilities later, and would avoid embarrassing consequences of possible SC futility in light of India's refusal to accept arbitration.

c. Consultations with Graham about how he would proceed under broader terms of reference would include methods of developing new approach to problem. One new element (which we think may be found necessary) is proposal for joint control and development of Kashmir water resources through some form of India-Pakistan corporation or authority along lines of Lilienthal proposal. Focusing parties' attention on this might start them cooperating on a mutually advantageous enterprise and at the same time remove real Pakistani fear of water shortage caused by Indian control of headwaters.

We also suggest discussion with Graham of possibilities of partition of Kashmir as well as UN admin of vale. Partition might or might not include plebiscite in the vale. Since India now occupies the entire vale, a retreat might have to be made to total partition.

Graham might feel that even such a drastic proposal as partition of vale might be less undesirable than a proposal for interim UN administration and deferring to some future date a plebiscite, since latter would merely postpone the evil day even in the unlikely event that both parties agreed to such a course of action. Moreover, such a delay would exacerbate India-Pakistan relations by continual intrigue for votes.

d. The need for vigorous exploration with Graham of all practical possibilities arises from fact that Kashmir dispute may be key to other economic and political controversies between Pak and India. It is likely that present plan of statewide plebiscite and arbitration of issues not agreed has been carried about as far as practicable, although this is of course a question to be thoroughly explored with Graham. Neither India or Pak feels obliged to surrender what it now holds of Kashmir because of any moral or legal considerations or because of threat of force. While we would keep separate consideration of constituent assembly and troop concentration, they are companion sources of tension which might lead either govt to mutual disaster. US and UN effectiveness in this controversy would become small should hostilities commence, because UN political or economic sanctions would have little restraining effect and military sanctions seem outside the realm of practical possibility. Also, military conflict would afford to USSR choice of volunteering to assist India in a movement to secure Asia for the Asiatics or could support Pak, thereby rallying loyalty of Muslim world.

For these reasons we have suggested tactic for keeping Graham in the case, for keeping movement toward long term political settlement and for provisional measures to lessen present tension. We see danger in temporizing by general SC discussion of a final Graham report

with no further action taken or by dilatory tactics such as establishment interim UN administration.²

GROSS

²The suggestions contained in this telegram were summarized in an unnumbered information telegram from the Department of State to the Embassies in New Delhi and Karachi, September 10, not printed (New Delhi Embassy Files, Lot 59 F 117, Box 69). Ambassador Warren reported in telegram 272, from Karachi, September 12, that he had delivered the contents of the information telegram to Dr. Graham, with whom he had dined privately on the night of September 11. Ambassador Warren further reported that Dr. Graham had by coincidence explored lines of thought almost identical with the suggestions of Ambassador Gross. (690D.91/9-1251)

357.AB/9-851 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, September 8, 1951—noon.

897. 1. Had talk with Graham this morning at airport when he was departing. I said Dept apparently anxious have opportunity consult with him in New York before he makes report to SC. He said he wld like have such consultation and indicated that in meantime report wld be prepared in Geneva. I said Dept also understood his report to SC wld be of "interim" nature in order that situation may not be completely frozen. He said every effort wld be made see that report was of such character as not "freeze" situation. Nevertheless his report in that sense wld be official account of mission and not merely preliminary to another report (Deptel 538, Sept. 6).¹

2. If FonOff had report over week ago that Graham planned return US this report was without foundation. Graham did not make decision return US until after his talk Sept 4 with Nehru (Deptel 540, Sept 6).² As reported Graham had in mind prepare concrete integrated plan. Number points in it not specified. During recent days he has changed his mind and instead submitted doc containing Nr of points which he invited each govt discuss point by point. He has not told us Nr or content these points. We are inclined believe GOP did not know until yesterday contents of doc prepared by Graham and that any info which it has passed onto London was based on supposition rather than on knowledge.

¹ Telegram 538, to New Delhi, not printed, but see footnote 2, p. 1831.

² Telegram 540, to New Delhi, repeated as telegram 273, to Karachi, transmitted the text of telegram 1220 from London, September 5 (p. 1830), and inquired whether the Embassy had any information concerning Graham's reported twelve-point plan.

3. Graham told me Nehru has neither promised nor refused to comment on various points contained in doc. He told Graham however doc wld require careful study and cld not be immediately answered. Graham told him he was leaving behind member party at least until Sept 12 to receive reply.

Rptd info Karachi 59.

HENDERSON

357.AB/9-851 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, September 8, 1951—1 p. m.

256. Ref Deptel 273, Sept 6.¹ Mohd Ali, before taken ill this week, showed in strictest confidence to acting UK HICOM Graham's Twelve Point proposal for demilitarization Ind-held Kashmir and Jammu and Azad Kashmir.

Twelve Points covered particularly in clauses seven and ten, number troops necessary for internal security to remain on both sides. Pak's suggestion was proportion shld be two to one, that militia on both sides be disbanded, and that Ind forces be reduced to four or five battalions, in which case Pak forces wld be reduced to two battalions.

Gurmani, commenting generally on discussions without mentioning existence of Twelve Point proposals, told me C-in-C Pak Army recommends from a mil point of view a minimum of three battalions in Azad Kashmir, but Prime Minister and Gurmani were willing stretch a point and reduce to two, provided Ind wld agree to hold her forces to four or five.

Mohd Ali also told Burnett Paks felt there shld be 13th proposal covering arbitration in event of disagreement of demilitarization. Graham is said to have replied that India in no case wld accept arbitration and then produced a draft of a 13th arbitration clause for Pak consideration. Burnett told me that he had given an undertaking to Mohd Ali, he wld hold this in strictest confidence and I gathered he was not reporting it. My understanding with him was that I wld not do anything about it until given signal.

Graham, who came to see me just before he returned to Delhi last week, expressed keen regret that he could not discuss in detail his conversations with Liaquat and Nehru, but he did express hope that Nehru wld agree to progressive demilitarization down to minimum requirements for internal security. He said he was pleased with Pak attitude on demilitarization of Azad Kashmir.

WARREN

¹ Not printed, but see footnote 2, *supra*.

CFM Files : Lot M-88 : Secretary's Briefing Book

*United States Delegation Minutes of the First Meeting of the Foreign Ministers of the United States and United Kingdom*¹

[Extract]

SECRET

WASHINGTON, September 10, 1951—3:30 p. m.

U.S.-U.K. MIN-1

Present: U.S.	Mr. Acheson	U.K.	Mr. Morrison ³
	Mr. Harriman		Sir Oliver Franks ⁴
	Mr. Gifford		Sir Pierson Dixon ⁵
	Mr. Jessup ²		Sir F. Hoyer Millar ⁶

(c) *Kashmir*

39. MR. ACHESON said that events were moving very rapidly toward a collision in this area. The question is whether to put forward any plan at this time. It appeared that the Pakistani would be willing to do anything to which India would agree to solve the problem. It was first necessary that the U.S. and U.K. should act together. In the UN it would be possible to muster an impressive vote against India. Outside of the UN attempts should be made to have the Asians take the initiative in intervening, especially such countries as Burma, Indonesia and Ceylon. Another possibility would be to postpone the disposition of Kashmir for an extended period such as ten years and make provision for UN administration of the area. The attempt should be made to remove the dispute from the political sphere and to concentrate on its technical aspects. If progress were made on water development, the whole economic basis for the dispute would disappear.

40. MR. MORRISON said that the more we could delay, the better the chances would be for a peaceful settlement. Perhaps this was wrong but at least there was no use to use force at this time. Both countries were in the British Commonwealth and the U.K. was trying to be impartial, but it made clear in the UN that the Indians were wrong. It was impossible for the U.K. or UN to intervene by force. Perhaps at the right time the British Commonwealth could collectively intervene. The Asian intervention which Mr. Acheson mentioned might be a strong influence. India was sensitive to any U.K. or U.S. inter-

¹ Complete text of the minutes of this meeting is scheduled for publication in volume III.

² Philip C. Jessup, Ambassador at Large.

³ Herbert Morrison, British Foreign Secretary.

⁴ British Ambassador to the United States.

⁵ Deputy Under Secretary of State, British Foreign Office.

⁶ Sir Frederick Robert Hoyer Millar, U.K. Deputy, North Atlantic Treaty Organization.

ference with regard to Pakistan. Whether the UN would be a suasive force was not sure. Even though this was no time for bullying Nehru, a stalemate should be avoided. If the U.S. agreed to this general line details could be worked out by the respective UN delegations.

41. Mr. ACHESON said that while Mr. Scott was here he would like to have the appropriate officials in the Department meet with him on this matter. Regarding taking this question up in the Security Council and especially in the General Assembly, it should be raised "more in sorrow than in anger". Meanwhile, it would be most helpful to try to make progress on the Punjab development scheme which would help to remove the dispute from the political field.

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357.AB/9-1151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

TOP SECRET PRIORITY KARACHI, September 11, 1951—1 p. m.

267. In two conversations with Graham one last night when Prime Minister gave him dinner and other this a. m. when he came say good-bye to me it was made clear he had not submitted to either government specific proposals that might invite rejection. In his final conversation with Liaquat yesterday Prime Minister's discussions were general. He and Prime Minister agreed that recommendations submitted in Graham report to SC should receive immediate consideration and decision of SC arising from report should receive closest attention from Committee to promote early and peaceful solution of Kashmir problem.

I understand that twelve-point memo prepared by Graham left blanks for inclusion of specific info and therefore was not presented by him as formal proposal which might invite rejection by either side.

The Prime Minister in long conversation with me last night said in his opinion next step to be taken by SC following receipt and discussion of Graham report is to move under Art 37 of Charter and call on two powers to proceed forthwith in inviting plebiscite administrator to proceed with discharge of his responsibilities. He assumed Graham's report would make specific recommendations on demilitarization stages including number of armed forces on both sides to maintain internatl security until after plebiscite vote had been taken.

Liaquat said he saw no virtue in arbitration recommendation which had already been rejected by GOI. He said also he is opposed to SC turning Kashmir question over to General Assembly because "it wld be shirking the responsibility which the Council shared with him and Nehru for the lives of millions which might otherwise be sacrificed in senseless and disastrous war".

Liaquat said in his conversation yesterday he had expressed confidence in Dr. Graham's awareness of his own responsibility as UN representative for safeguarding the peace of subcontinent and he hoped the Graham report to SC would reflect gravity of situation which has deteriorated in past year.

Liaquat concluded by telling me he feels US and UK as two most powerful members of SC must move for early decision; otherwise his own position in Pakistan will be untenable. The pressure on him is increasingly heavy and he can only withstand it if he can have his people believe that action by the SC will not be delayed.

WARREN

357.AB/9-1151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

TOP SECRET PRIORITY KARACHI, September 11, 1951—2 p. m.

268. Dr. Graham in farewell conversation with me this a. m. said he considered it fruitless to raise any additional specific questions with GOP prior to his departure because that wld necessitate further trip to Delhi to discuss same matters with GOI and such action would in his opinion not alter situation.

He is preparing his report in Geneva because he said it is physically impossible to write it in India or Pakistan and it wld be difficult to write it in NY without interruptions. He said that immediately on arrival in New York he wld consult with our delegate before submitting report.

Dept pass USUN.

WARREN

McGhee Files : Lot 53D468

Memorandum by the Deputy Director of the Office of South Asian Affairs (Weil) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee)

SECRET [WASHINGTON,] September 12, 1951.

Subject: Kashmir: India-Pakistan Relations: Your Talk with Mr. Scott.¹

Discussion:

On Monday, September 10, the Secretary discussed Kashmir with Mr. Morrison—presumably along the lines of WFM B-2/3b² (Tab

¹ Robert Heatlie Scott, Assistant Under Secretary of State, British Foreign Office.

² Paper entitled "Alignment of US-UK Policies in the Middle East: Kashmir", August 28, 1951, p. 1825.

A). On the same day officers of the Department discussed with Mr. Fowler of the UK delegation to the UN and Mr. Belcher, First Secretary of the British Embassy future action with regard to Kashmir. The paper "Kashmir Dispute: Future Action"³ was used as a basis for discussion (Tab B). At this working level conference there seemed to be general agreement that on balance there was greater advantage in getting the Kashmir case before the General Assembly than in restricting UN treatments of the case to the Security Council. The British representatives agreed with points 1 and 2 of this paper, said that it was a firm UK decision not to take the initiative in stimulating Asian approaches (point 3). Regarding points 4 through 8 in general, the British representatives believed that danger would lie in indicating to the Government of India at too early a stage our willingness to go ahead on a basis other than the agreed UNCIP resolutions. They thought we should not now commit ourselves to action so far in advance and that the whole situation should be re-examined if the approaches suggested in points 1 through 3 failed. They intend to send the gist of the paper to London for HMG's comment.

In the record of the afternoon meeting of the Secretary and Mr. Morrison on September 10, it is stated that the Secretary told Mr. Morrison that "the Pakistanis would be willing to do anything to which India would agree to solve the problem". We doubt that this statement accurately reflects the Secretary's comments, because it differs with our appreciation of the attitude of the Government of Pakistan. As you are aware, the Pakistan and Indian positions have been unchanged for more than two years.

In connection with the possibility of approaches to the two Governments by certain Asian countries mentioned under numbered paragraph 4 of Tab A, and mentioned also in the record of the talk between the Secretary and Mr. Morrison, it should be noted that SOA has not contemplated that Ceylon's intervention would be useful. The question of stimulating or encouraging Asian Governments to offer assistance is so delicate that we are convinced action along this line, if attempted, must be most adroitly executed lest India and Pakistan learn that such Asian approaches are the result of United States stimulation.

With reference to the discussion of a joint Indo-Pakistan Water Authority in Tab A, SOA believes it is not possible to remove Kashmir from the political sphere by concentrating on technical aspects of Indo-Pakistan problems.

SOA had hoped that Mr. Morrison's remarks might have been somewhat more responsive to the position outlined in Tab A. It is hoped

³Paper of August 27, 1922.

in your talks with Mr. Scott that you elicit rather more precise views than were forthcoming from the Foreign Secretary.

Recommendation:

1. That you discuss Kashmir and India-Pakistan relations along the lines suggested in Tab A.

2. That you ask Mr. Scott whether he has any comment on the ideas contained in Tab B (working paper).

357.AB/9-1251

Memorandum of Conversations, by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs

SECRET

[WASHINGTON,] September 12, 1951.

Subject: Kashmir Dispute: Future Action

Participants: Mr. R. H. Scott, UK Assistant Secretary of State for Far Eastern Affairs

Mr. Ronald Belcher, First Secretary, UK Embassy

Mr. Robert Fowler, UK Delegation to the United Nations

Mr. John D. Hickerson, UNA

Mr. Joseph Palmer, First Secretary, US Embassy, London

Mr. T. E. Weil,¹ SOA

Mr. W. Witman, SOA

Mr. R. D. Gatewood, SOA

Mr. D. W. Wainhouse, UNP

Mr. H. Meyers, UNP

Mr. Scott wondered whether Dr. Graham would be apt to put in a report showing complete failure for his mission, or rather would leave a door open for further progress.

Mr. Hickerson believed that Dr. Graham would do the latter; that he, of all men, could pull off a miracle in this dispute.

Mr. Scott then inquired whether this description of Graham's nature did not indicate that, if Graham could not successfully conclude his mission, there was not much sense in making further approaches of a similar nature.

Mr. Hickerson said that we were somewhat inclined to agree, although we had not come to a definite conclusion and wished to stress the necessity for examining carefully Dr. Graham's report to see whether that report might offer possibilities of advancing the dispute

¹ T. Eliot Weil, Deputy Director of the Office of South Asian Affairs.

in the Security Council. However, we had given thought to referring the dispute to the General Assembly, in an effort to bring about pressure upon the Government of India. He personally was inclined to doubt that such pressure would be successful without being coupled to other approaches. He invited Mr. Scott's comments.

Mr. Scott referred to Secretary Acheson's comments regarding the possibility of further efforts by the Indonesians and Burmese. He thought that the best forum for such efforts was the General Assembly, where these Asian countries might take an active part in the discussion.

Mr. Hickerson then read to Mr. Scott the draft SOA-UNP paper, Subject "Kashmir Dispute: Future Action", dated 27 August 1951. He cautioned that the United States proposals with regard to the Development Authority in the Vale and the Indo-Pakistan Water Authority were only tentative and involved difficult problems of financing and staffing. Mr. Hickerson further cautioned that our whole paper was tentative and that we earnestly desired the United Kingdom's comments.

Mr. Scott said that this was such a baffling problem that any constructive approach was valuable. Recapitulating the situation for a moment, Pakistan was pressing for a state-wide plebiscite but was willing to accept arbitration on the unresolved differences with India in regard to this plebiscite. Moreover, there was serious danger of internal difficulties in Pakistan if there were no progress on the Kashmir dispute. Consequently, the United Kingdom was afraid that anything less than an emphasis upon arbitration would seriously weaken the position of the Liaquat Government. Regarding the new approach outlined under point 4 of the United States paper, the United States proposals depended upon mutual acceptance by both parties. Could we believe that the Government of India would agree to such proposals as partition of Kashmir, the Development Authority or the Water-Right Authority? In other words, what would India obtain which would be better than what it has now?

Mr. Fowler pointed out that both the Development Authority and the Water-Right Authority would really require some surrender of GOI control in the Vale and elsewhere in Kashmir. The only benefit the GOI would derive would be financial assistance and economic development, and it was a most moot question whether enough money would be available for these projects to induce India to go along with these proposals. However, this might be a possibility if the inducement could be made good enough, although in his personal opinion this was not a very good possibility.

Mr. Scott pointed out that other factors, such as a world crisis, might cause India to go along with these proposals. This, on the other hand, would involve a most dangerous situation in India and elsewhere.

Mr. Fowler stated that it appeared from the joint UK-US discussions the previous day, that all favored examining this new approach to see if this might be a valuable course of action to have in reserve. He thought that if cautious soundings showed that India might accept this line, then the proposals might be put to Pakistan. To do otherwise would alarm Pakistan, since the GOP might believe that the United Kingdom and the United States were abandoning them by a departure from the present insistence upon the agreed UNCIP resolutions.

Mr. Wainhouse urged that we should not think of going to the General Assembly until we had exhausted the possibilities of action in the Security Council which might appear when we examined the Graham report. He pointed out that we really could not make any definite decision until we saw this report.

Mr. Witman referred to the Indian elections in January 1952, and inquired whether it might not be wise to drag out negotiations in the Security Council past this time, in order to see if the negotiating atmosphere within the GOI would be better. As he understood it, the General Assembly would still be in session at this time, should it prove advisable or necessary to refer the dispute to the Assembly.

Mr. Fowler said that the United Kingdom was afraid of reaction in Pakistan following the Graham report, and thus the United Kingdom thought that immediate United Nations consideration and action was needed.

Mr. Witman said that he believed we all agreed we must wait and see Dr. Graham's report, which it appeared would probably be phrased in such a way as to enable further United Nations consideration and discussion of possibilities. He thought that Pakistan would be satisfied by immediate Security Council consideration of the problem.

Mr. Fowler said that if the dispute were referred to the General Assembly he would hope that a General Assembly resolution would favor arbitration. If India refused such a recommendation, then the General Assembly might appoint a negotiating committee and use Dr. Graham's services in conjunction with this committee. This would provide continuing pressure on India, pressure which would be maintained even after the Indian elections in January. This might cause a change of heart on the part of Nehru, particularly if the January elections strengthened his domestic political position.

Mr. Gatewood inquired what the Security Council could do before referring the dispute to the General Assembly.

Mr. Wainhouse replied that this depended upon Dr. Graham's proposals. The Security Council might well consider proposals, whether through Dr. Graham or through other machinery, including the Coun-

cil itself. He favored using Dr. Graham's services to advance the possibilities which might be contained in Graham's own report.

690D.91/9-1251 : Telegram

*The United States Representative at the United Nations (Austin) to the Secretary of State*¹

SECRET PRIORITY NEW YORK, September 12, 1951—8:45 p. m.

337. Kashmir-Graham's 12-point plan. Re Deptel 540, Sept. 6, to New Delhi,² and Karachi's No. 256, Sept 8. Malania³ (secretariat) has given us personally and in strictest confidence following text of Graham's draft agreement, including 13th arbitration clause referred to para 4 Karachi's 256:

"The Govt of India and Pakistan:

(1) Reaffirm their will not to resort to force and to adhere to peaceful procedures with regard to question of state of Jammu and Kashmir;

(2) Agree to assist in creating and maintaining an atmosphere favorable to promotion of friendly relations between the two countries and to appeal to their respective peoples to cooperate to this end;

(3) Reaffirm their will observe cease-fire of Jan 1, 1949⁴ and Karachi agreement July 27, 1949;⁵

(4) Reaffirm their acceptance of principle that question of accession of state Jammu and Kashmir to India or Pakistan will be decided through democratic method free and impartial plebiscite under auspices UN;

(5) Agree that demilitarization of state Jammu and Kashmir contemplated UNCIP res August 13, 1948 and Jan 5, 1949 shall be effected in single continuous process;

¹ This text of Graham's draft agreement was repeated to New Delhi as telegram 606, to Karachi as telegram 299, and to London as telegram 1485. Each Embassy was at the same time informed that the Department of State had discussed the text in strictest confidence with representatives of the British Embassy in Washington and the United Kingdom Delegation to the United Nations (690D.91/9-1251).

² See footnote 2, p. 1835.

³ Leo Malania, Special Assistant to the Executive Assistant to the U.N. Secretary-General.

⁴ The Governments of India and Pakistan had ordered the forces under their control in the State of Jammu and Kashmir to cease fire at 11:59 p. m., January 1, 1949 (S/1196, Annex VI), after accepting the proposals for the conditions of the plebiscite proposed by the U.N. Commission for India and Pakistan, successively embodied in the UNCIP Resolution of January 5, 1949 (S/1196).

⁵ At a meeting of military representatives of India and Pakistan held in Karachi under the auspices of a Truce Sub-committee of UNCIP, an agreement was signed on July 27 by which a cease-fire line was established as a complement to the suspension of hostilities in the State of Jammu and Kashmir (S/1340/Add. 1-Annex 26).

(6) Agree that this process demilitarization shall take place during period of ninety days;

(7) Agree that demilitarization referred to above shall be carried out in such a way that at end of period of ninety days forces on Pakistan side cease-fire line will consist of blank and India side of cease-fire line will consist of blank;

(8) Agree that disposition forces each side cease-fire line during and after ninety day period referred to above shall be so arranged as to involve no threat cease-fire agreement;

(9) Agree that India and Pakistan commanders-in-chief, under auspices of UN, will establish a programme of demilitarization in accordance with provisions of paras 5, 6, 7 and 8 above;

(10) Agree that Indian Govt will cause plebiscite administrator to be formally appointed to office on blank day of ninety day period referred to in para 6 above;

(11) Agree that completion of programme referred to in para-9 above will be without prejudice to functions and responsibilities of UN rep and plebiscite administrator as set forth in para 4 a and b of Jan 5, 1949 res;

(12) Agree that any difference of interpretation regarding programme of demilitarization will be referred to the military adviser, and if disagreement continues, to UN rep, whose decision should be final.

(13) Agree that any disagreement regarding interpretation of provisions this agreement will be settled by final decision of UN rep."

AUSTIN

694.00/9-1351

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

CONFIDENTIAL

[WASHINGTON,] September 13, 1951.

Subject: San Francisco Conference and Kashmir

Participants: Mr. M. A. H. Ispahani, Ambassador of Pakistan
Sir Zafrulla Khan, Pakistan Foreign Minister
Mr. McGhee—NEA
Mr. Weil—SOA
Mr. Gatewood—SOA

Problem:

To elicit Pakistan views on possible progress on the Kashmir case.

Action Required:

To express continued US concern with the Kashmir issue.

Action Assigned to: NEA

[Here follows a brief discussion of Pakistan's representation at the San Francisco Conference.]

Sir Zafrulla then turned to the Kashmir issue, pointing out that public feeling was intensely aroused over Kashmir and the recent

troop movements by India, and stating that prompt action in the Security Council on Dr. Graham's report must be taken to ease the pressure of the Pakistan public on the Government. Such action, he said, would best be taken before the meeting of the General Assembly in November; otherwise, the Pakistan public would believe the SC had failed to live up to its responsibilities, and further delays would be introduced into the Kashmir case because the General Assembly would overshadow the activity of the Council.

Mr. McGhee assured Sir Zafrulla that we had no intention of recognizing, as in any way binding, such action as the so-called "constituent assembly" in Indian-held Kashmir might take regarding the question of accession. Sir Zafrulla said he expected the Indian Government might not follow up the nominations of candidates for the so-called "constituent assembly" with any voting procedures, as these would be expensive and as 43 out of 45 candidates were, apparently, unopposed. He went on to compare the cordial and cooperative treatment Dr. Graham had received in Pakistan with the originally hospitable, but later evasive, reception accorded him by Nehru, and he quoted Dr. Graham to this effect. As to Dr. Graham's suggestions for demilitarization and plebiscite, Sir Zafrulla indicated that these were designed to establish a single continuous process, in contrast to Dixon's proposals, and he referred to the recent public statement of the GOP that Dr. Graham's suggestions had been "accepted." Mr. McGhee remarked that this indicated a familiar pattern: Pakistan accepting, and, possibly, India refusing to consider measures of conciliation.

Sir Zafrulla made it clear that, in his opinion, it was not yet necessary to proceed in the Security Council to take action under Chapter VIII of the Charter ("Threats to Peace"), but that it was most desirable for the Council to "recommend such terms of settlement as it may consider appropriate" under Chapter VI, Article 37. Mr. McGhee pointed out that there were general limitations on the effectiveness of UN action which had to be carefully considered, and Sir Zafrulla agreed, stating that his Government "cannot ask for the moon," but that some progress must be made as the Kashmir dispute was becoming a "weariness of the spirit" for the Security Council and all concerned.

Mr. Weil inquired whether the greatest pressure on the GOP was coming from the general public, the tribes in the Northwest, or possibly the dangers of communal disturbances in East Pakistan. Sir Zafrulla said that General Devers had held talks with quite a number of tribal leaders along the northwest frontier, and had been assured by them that so long as the UN was taking some action leading to a fair plebiscite in Kashmir, they could restrain their tribes.

[Here follows a brief discussion of shipments of cotton from Pakistan to Communist China.]

After mentioning his great regret over the recent illness of Mr. Ghulam Mohammed, Pakistan Minister of Finance and Economic Affairs, Mr. McGhee asked Sir Zafrulla if it would be convenient for him to see Mr. Harriman (as informally suggested by Mr. McGhee) late this afternoon at Mr. Harriman's home, to give him a brief review of the military situation on the subcontinent. Sir Zafrulla concurred and also accepted Mr. McGhee's invitation to a private dinner with him tomorrow evening. He was also informed that the Secretary would see him tomorrow afternoon.

357.AB/9-1451

Memorandum of Conversation, by Mr. Howard Meyers of the Office of United Nations Political and Security Affairs, and Mr. Frank D. Collins of the Office of South Asian Affairs

CONFIDENTIAL

[WASHINGTON,] September 14, 1951.

Participants: Mr. Robert Fowler, UK Delegation to the UN;
Mr. Ronald Belcher, First Secretary of British Embassy;
Mr. James Hyde—US Delegation to the UN;
UNP—Mr. Eric Stein; Mr. Howard Meyers;
SOA—Mr. William Witman; Mr. F. D. Collins

The UK representatives were given in confidence the thirteen point proposal which Dr. Graham has submitted to both India and Pakistan. It was explained that the US believed that this approach was different from anything which had been attempted before in that it appeared designed to draw out the parties' attitudes, on the basic elements of the dispute. It would be difficult for either party to disagree completely with all the points. Thus, this may provide a useful means to narrow differences between the parties on particular points. The UK Representatives, after reading the various points outlined by Dr. Graham, were of the opinion that they afforded room for moving ahead in the Security Council discussions, and that it may be possible to negotiate between the parties on this basis. In the event this line of approach proved unfruitful, the Security Council could then consider other approaches, such as a reference to the General Assembly.

Mr. Hyde recommended that Dr. Graham's terms of reference be broadened so that he might negotiate not only on Kashmir but on other problems such as the water rights issue, etc., and that consideration be given to having the Security Council send the Peace Observation

Committee to the area and also to stationing POC observers along the East-West Indo-Pakistan borders. Mr. Hyde explained that it was USUN's opinion that such action would partially offset the action of the Constituent Assembly and would lessen the tension caused by recent troop concentrations.

It was agreed that certain advantages would accrue from having Dr. Graham continue with negotiations, and that it might be advisable at a future date to request that the POC be dispatched to the area. The UK Representatives thought that the POC should be used only if there was renewed tension on the borders. Mr. Fowler remarked that unless some signs of progress could be detected, it might not prove fruitful to have him continue indefinitely negotiations with the parties. The preferable line might be to continue to apply pressure against India through a reference of the issue to the General Assembly, if Graham's further negotiations showed after a couple months that he could not make adequate progress.

Secretary's Memoranda : Lot 53D444

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] September 14, 1951.

Subject: Kashmir: Future UN Action

Participants: Sir Zafrullah Khan, Foreign Minister of Pakistan
Mr. M. A. H. Ispahani, Ambassador of Pakistan
The Secretary
Mr. McGhee, Assistant Secretary
Mr. Weil, SOA

Sir Zafrullah called on me at 6:00 p. m. He said he was disturbed by reports that consideration was being given to referring the Kashmir case to the General Assembly after Dr. Graham had submitted his report. Sir Zafrullah said he believed the Security Council should continue its efforts to settle the case; that it was still the SC's duty within the purview of Chapter VI, Article 37 of the Charter to make further efforts; and that he did not see how the GA, with some sixty nations represented, could successfully tackle the problem.

Sir Zafrullah said he believed the SC should take up the question immediately following submission of the Graham report and pass an appropriate resolution. He asked me (1) whether the Department would discreetly ascertain from Dr. Graham the estimated date on which his report would be submitted, and (2) whether the US Delegation would take up the Kashmir question in the SC immediately

following submission of the report. He said there should not be any difficulty in persuading the SC to resume consideration of the case since the membership was the same as when the last resolution on Kashmir was adopted in the spring of this year; and added that his Government had reason to believe that the report would be a clear statement of the problem.

I told Sir Zafrullah that I considered his statement a very orderly presentation of his Government's position and asked Mr. McGhee for comments. Mr. McGhee asked Sir Zafrullah whether he did not believe that consideration of the case by both the SC and the General Assembly would be more effective than consideration by the SC alone. Sir Zafrullah said he thought not. Mr. McGhee asked whether consideration by the General Assembly would not give the recommendations a broader base. Sir Zafrullah said he did not think so—that it would probably take three months to explain the case to the GA. Mr. McGhee remarked that it was our object to use UN machinery to a maximum extent. I suggested that if the SC acted and India refused to accept its recommendations, then there would be reason for referring the case to the General Assembly. Sir Zafrullah added that likewise if the USSR vetoed SC action then there would be justification for adopting the new procedure and referring the case to the GA. He added, however, that referring the case to the GA would be "too complicated" and would result in delay.

Sir Zafrullah said that earlier in the afternoon he had discussed with Sir Percy Spender¹ the question of the Korean cease-fire negotiations. He said he had come to the conclusion that there might be some possibility of a resumption of negotiations if the UN followed "a middle course". He said if the Communist allegations were not completely brushed aside, the UN would have an opportunity to test the Communists and to find out whether they wanted a cease fire. I agreed that perhaps the UN would have such an opportunity now that it had been admitted that an UN plane had strafed the Kaesong area. I said I would have a look at this.

Following mutual congratulations on our speeches at the San Francisco Conference, I said to Sir Zafrullah that I would like to tell him in confidence that the US would support Pakistan's candidacy for a seat on the Security Council. Sir Zafrullah said jokingly that we needn't worry because there were virtually no other competitors for this seat. Mr. McGhee assured Sir Zafrullah that this was not the reason for our supporting Pakistan.

¹ Vice President of the Japanese Peace Treaty Conference at San Francisco; Australian Ambassador to the United States.

INR Files

Memorandum by the Central Intelligence Agency

SECRET

[WASHINGTON,] 14 September 1951.

NIE-41

NATIONAL INTELLIGENCE ESTIMATE*

PROBABLE DEVELOPMENTS IN THE KASHMIR DISPUTE TO THE END OF 1951

THE PROBLEM

To estimate probable developments in the Kashmir dispute during 1951, with particular reference to the possible use of armed force, and to indicate the consequences for US security interests of war between India and Pakistan.

CONCLUSIONS

1. India and Pakistan have once again reached a critical state of tension over Kashmir. The military forces of both countries are deployed opposite each other on the frontiers, and few additional measures would be required for either to initiate hostilities.

2. The Indian Government (GOI) is unlikely to precipitate war deliberately, but is prepared to accept war and is unlikely to act to reduce the tension.

3. The Pakistan Government (GOP) is unlikely to precipitate war deliberately so long as the UN appears to GOP leaders to offer hope of effective action. However, there is a possibility that the GOP would deliberately launch or sponsor local action in Kashmir, especially between 15 September and 1 November.

4. The Kashmir issue has generated high military, political, and religious pressures one or more of which might well lead to hostilities.

5. In the event of war, there will almost certainly be fighting not only in Kashmir, but also in the Punjab and probably East Pakistan (Bengal). It is unlikely that the UN could effect a cease-fire, if either side had gained a material advantage from the fighting.

6. In any extended conflict India would probably be victorious, but its victory would not be quick or easy.

7. The most important consequence of war would be internal deterioration in both countries, which might open the way for a Communist seizure of power in parts or all of India. In addition, war would have a serious adverse effect on US relations with both coun-

*The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 10 September. [Footnote in the source text.]

tries, and would probably deprive the US of potential air bases in Pakistan and of important raw materials from India.

DISCUSSION

The Current Situation

8. Troop movements by both India and Pakistan since May have greatly increased the tension between the two countries and the possibility of major hostilities. Almost 90 percent of India's and 70 percent of Pakistan's ground combat forces are now deployed opposite each other in Kashmir itself, and on the Punjab and East Pakistan (Bengal) frontiers.

9. Pursuant to a Security Council resolution of 30 March 1951, Dr. Frank Graham is now in the subcontinent seeking to achieve agreement on demilitarization of Kashmir as a prelude to an impartial plebiscite to determine its permanent affiliation. Graham is due to report to the Council by 29 September, though he may seek a delay.

10. The chief focus of dispute at the present time is the projected election of a Constituent Assembly in the area of Kashmir controlled by Indian forces under the 1949 UN cease-fire and containing about three quarters of the population. These elections are scheduled for 10-30 September, under the auspices of the pro-Indian Government of Kashmir, headed by Sheikh Abdullah, for the declared purpose of establishing a constitutional government for all of Kashmir.

11. The Constituent Assembly elections are bitterly opposed by Pakistan, and Prime Minister Liaquat Ali Khan has threatened war to prevent them. Although the UN has written a letter to India stating that the elections are contrary to the spirit of the March 30 resolution, Abdullah and the Indian Government have reiterated their intention to proceed with the plan.

Basic Objectives of the Parties in Kashmir

12. The dominant motivating force of both India and Pakistan on the Kashmir issue is nationalism tinged with religion. The issue focuses the deepest passions of both countries, and since 1947 public opinion, particularly in Pakistan, has made it one of national prestige. To Pakistan, founded on the principle of a Moslem nation, it seems intolerable that the largest of the subcontinent's princely states, containing a predominantly (78 percent) Moslem population, should be handed over to India. To the Indians, who have waged a vigorous campaign to take over the princely states left uncommitted by partition, it appears all but unthinkable to give up a state whose ruler formally acceded to India in 1947. Nehru's feelings about Kashmir are intensified by his long association with Sheikh Abdullah, by the fact that he himself is of Kashmiri descent, and by his strong belief in the concept of a secular state embracing both Moslems and Hindus.

13. Strategically, the Pakistanis view Kashmir as an important military gateway that would enable India to threaten Pakistan's principal military base area at Rawalpindi and also major agricultural areas. Indian strategic interest is less marked; a Pakistani Kashmir would outflank much of the East Punjab, but the border terrain is difficult.

14. Economically, Kashmir's trade is with Pakistan rather than India. Possession of Kashmir would slightly improve Pakistan's control over the vital water supply obtained from the four major tributaries of the Indus River, though it would not prevent India from carrying out a present threat to impair the flow of two of these tributaries that cross Indian territory before entering Pakistan.

15. Eventually, both India and Pakistan might be satisfied with less than the whole of Kashmir. However, both are adamant in demanding control of the Vale area, the heart of the state, which has a Moslem majority but is on the Indian side of the cease-fire line.

Political Prospects in the Absence of War

16. India's trump card is its present control of the Vale. A plebiscite conducted under impartial auspices in the near future would probably produce a majority in the Vale for accession to Pakistan. However, Indian control, with the inevitable intimidation and ban on pro-Pakistan religious campaigning, would presumably produce a result favorable to India in any Constituent Assembly elections.

17. Therefore, it is extremely unlikely that India will postpone or cancel the elections. There is no indication of any further UN action to block the elections and almost no chance that India would heed the UN if it did take such action.

18. If the elections are held, the resulting Constituent Assembly will undoubtedly pass some form of resolution in favor of final affiliation with India. Although Indian spokesmen have conceded that such a resolution would not be binding on the UN, India will certainly make maximum propaganda use of it and may later reverse its position. Moreover, the creation of a constitutional "independent" government (in contrast to the "puppet" Azad Government of the Pakistan-occupied part of Kashmir) may enlist growing loyalty and support among the Kashmiris. In this way the Indians undoubtedly hope eventually to present the world with a *fait accompli*, at least as to the areas now under Indian control.

19. Confronted by this sequence of events, Pakistan—if it did not go to war—would certainly seek further UN action. Because of its willingness to accept an impartial plebiscite, Pakistan undoubtedly believes that it has a superior moral case at this stage of the dispute and that further UN resolutions will be favorable to it. At the very least it can count on firm political support from Arab and Moslem

nations and to a large extent from the British Commonwealth nations. Present reports indicate that Dr. Graham has little chance of obtaining an agreed solution. He may propose the appointment of an arbitrator (already rejected by India) or perhaps formulate his own plan for demilitarization, and these recommendations would go to the Security Council. At the same time Pakistan would almost certainly propose a new resolution specifically denouncing and refusing to recognize the Constituent Assembly elections. Reference to the General Assembly in November is also a possibility (and need not mean withdrawal of Security Council jurisdiction); Pakistan might welcome this move as a more effective means of bringing the pressure of world opinion to bear on India.

Indian and Pakistani Military Capabilities†

20. The recent Indian troop movements have brought India's strength in Kashmir itself to an estimated 68,000 men. In the East Punjab, India has a striking force of 75,000, including an armored division and an independent armored brigade. Close to the borders of East Pakistan in Bengal, India has 25,000 to 28,000 men.

21. In Kashmir itself, Pakistani and Azad Kashmir troops number about 18,000. In the Lahore-Wazirabad area of the Punjab, Pakistan has 57,000 men. Another 15,000 are in reserve at Peshawar, and could be moved rapidly to either front. Elsewhere in West Pakistan, about 20,000 men are deployed on internal security. In East Pakistan, Pakistan's forces total an estimated 10,000.

22. The Indian Air Force and Navy, though small, are superior to Pakistan's and India has far greater trained reserves and manpower resources. Moreover, India has some industrial capacity for arms production, while Pakistan has virtually none and would be heavily dependent on outside supplies. Another major Pakistan weakness is the fact that its transportation and communications network in West Pakistan parallels the Indian frontier and is extremely vulnerable to attack.

23. In an all-out war with Pakistan, India probably would be victorious provided Pakistan received no substantial outside help. Initially, probably neither country would gain a decisive victory, and in the first stages Pakistan might even win some battles. But in time the balance would be tipped in India's favor by its over-all advantages. The Indian Navy could blockade Karachi, West Pakistan's only major port, and the Indian Air Force could neutralize the Pakistani Air Force, though its own offensive capabilities are meager.

†Full details on the comparative strengths of the Indian and Pakistani armed forces are given in an Appendix attached to this estimate. [Footnote in the source text.]

24. In a limited action designed by either country solely to take all or part of Kashmir, India would probably also be victorious, but its success would not be quick or easy. India's present troop superiority in the area would be partially offset by the mountainous terrain and by the difficulty of bringing up supplies and reinforcements over the single road between India and Kashmir. Pakistan's communications into the area are, on the other hand, relatively good. There are better roads, easier passes, and lower grades.

25. Important elements in any conflict between the two countries would be the attitude of Afghanistan and of the Pathan tribesmen of the North West Frontier Province. Afghanistan itself, which has been diligently courted by India, would probably make border raids on Pakistan; past raids have already resulted in the deployment of elements of two Pakistani divisions near the Afghan frontier. On the other hand, in spite of continuing Afghan propaganda, some of the Pathan tribesmen would probably fight again on the Pakistani side, as in 1947, and if so their warlike qualities would substantially augment initial Pakistani strength in Kashmir.

26. Weather conditions would seriously hamper military operations in Kashmir and the Punjab until after the Southwest monsoon ends, generally about 15 September. For a short time thereafter, major rivers in the Punjab area would be deep and unfordable, and it has been reported that flood conditions now exist in the Lahore area and will prevent operations there until at least 1 October. Thereafter, fighting conditions should be most favorable in Kashmir to the end of November and in the Punjab until next April, although winter conditions would not preclude operations in Kashmir. In Bengal, the monsoon ends later, and the most favorable period would be December and January.

Likelihood of War to the End of 1951

Deliberate War by India

27. In general, Indian forces are now deployed so that they could either conduct defensive operations or launch strong attacks in the Punjab and against most of the important centers of East Pakistan. No other movement of troops would be necessary for India to make war on all fronts, and it is believed that the Indian forces have sufficient supplies to carry out at least a major initial attack.

28. We estimate that, despite its troop dispositions, the Indian Government (GOI) is unlikely to precipitate a war deliberately during this period. Its reasons against war are formidable: (a) India already controls the disputed area; (b) war would disrupt the Constituent Assembly elections and subsequent plans; (c) time is all on India's side—even if the elections were postponed, its possession of most of the disputed areas would still leave it in a strong position

gradually to win over the Kashmiris; and (d) any extended war would be a serious threat to Indian economic and political stability and would almost certainly lead to widespread communal rioting between Hindus and Moslems. The only contrary arguments of any possible weight are that: (a) a war that led to quick victories in the West Punjab and East Pakistan would help the government's wavering prestige; (b) most of India, including Nehru, opposed partition and would welcome an opportunity to reintegrate Pakistan. However, Nehru is almost certainly too well aware of the risks to be swayed by the first of these considerations, and anti-partition sentiment does not generally go to the length of seeking war.

29. Indian actions are consistent with this view of Indian intentions. Its recent troop movements were probably designed to forestall Pakistani interference with the Constituent Assembly elections while further deterring Pakistan by the threat of a Punjab counterattack.

30. Nonetheless, India is clearly willing to accept war and is extremely unlikely on its own initiative to withdraw its forces in such a way as to relax the tension. In the event of war, India would be unlikely to permit hostilities to be confined to Kashmir, but would probably take advantage of its superiority on the Punjab front and perhaps in Bengal.

Deliberate War by Pakistan

31. Pakistan's troops are deployed defensively, but are in positions in the Lahore-Wazirabad area from which they could attack either the Jammu City area of Indian-controlled Kashmir or the East Punjab. In the latter case, however, an attack could not be in more than division strength unless forward movements were first made from the Wazirabad area. The Pakistani forces in Kashmir itself could not launch more than a very limited attack at this time without substantial reinforcements, which would require major troop movements from other areas.

32. The Pakistan Government (GOP) appears unlikely to precipitate war deliberately. It is possible, however, that the GOP would deliberately launch or sponsor local action in Kashmir, as it did in 1947. This possibility will be greatest during and immediately after the Constituent Assembly elections (roughly 15 September to 1 November).

33. There are strong reasons that should deter Pakistan from resorting to war. In a long war Pakistan would almost certainly lose East Pakistan (containing 60 percent of its population) and major Punjab areas, and its economic and political stability—even its very existence—would be threatened. However, the extreme statements of Liaquat and other Pakistani leaders indicate that they may be reaching a dangerous mood of frustration in which these considerations

would be outweighed by the desire to thwart the Constituent Assembly elections. Moreover, the Pakistani leaders, some of whom tend to be contemptuous of Indian fighting qualities, may believe that their forces could make quick gains in Kashmir (even to capturing Srinagar) and conduct a holding action in the Punjab (possibly aided by the reported floods), after which Pakistan would appeal for a new UN cease-fire. Pakistani statements have used every possible argument to put India in the wrong and encourage support for a contention in the UN that military action in Kashmir is justified because of Indian obduracy and the illegality of the Constituent Assembly elections. There is some possibility that Pakistan might encourage both the tribesmen and the Azad Kashmir forces (aided by Pakistan regulars "on leave") to attack in Kashmir and then disclaim responsibility. GOP leaders might believe that, at the very least, hostilities in Kashmir would bring about immediate UN action favorable to Pakistan.

34. If the Constituent Assembly is elected and convenes, the GOP's course of action will depend on whether the UN offers real hope of a solution that would offset the effect of the elections and permit an impartial plebiscite. The actions of the Constituent Assembly, plus Indian "crowding," will undoubtedly tend to increase army and popular pressure for war, and if the Security Council failed to take even the steps of denunciation and arbitration, the GOP might give way to this pressure and start a war deliberately. However, so long as the UN appears to GOP leaders to offer any hope of effective action, the GOP will probably not resort to war deliberately.

Unpremeditated War

35. Apart from the possibility of deliberate war, we estimate that there is some chance that war will be brought on during this period by a chain reaction of explosive factors. These include:

a. Unauthorized military action by elements of the Pakistan Army. For some time a militant group in Pakistan has agitated for aggressive action. An anti-government plot from this source was nipped in the bud by the GOP in the spring of 1951. While a recurrence of actual revolt appears improbable, members of this group might succeed in turning a border incident into a large-scale conflict at any time.

b. Popular feeling in Pakistan. The GOP has exercised effective control over the press and radio to date, and US Embassy Karachi believes the GOP can continue to suppress inflammatory statements if it so desires. Nevertheless, the possibility of a dangerous surge of feeling exists.

c. Renewal of the widespread communal rioting that took place in Bengal in the spring of 1951. This would further arouse feeling in both countries.

d. Indian internal politics. Popular sentiment in India is no less intense but notably calmer than in Pakistan, and Nehru appears to enjoy virtually unanimous support on the Kashmir issue. However, some elements of the right wing of the Congress Party are sympathetic to the strongly anti-Moslem and anti-Pakistan Hindu Mahasabha, and there is a possibility of inflammatory statements for political advantage.

36. The chance of unpremeditated war arising from the above factors is likely to diminish only if there is a substantial relaxation of tension. Neither side is likely to relax the tension by withdrawing troops, but there is a bare possibility that Nehru might make some conciliatory statement or that he and Liaquat might temper the situation by meeting to settle subsidiary issues, such as the water dispute. So long as India pursues the Constituent Assembly plan, the only real chance for relaxation appears to lie in UN action that would offer hope, not only to the leaders of the Pakistan Government but also to the army and people of Pakistan, that the effects of the Constituent Assembly plan would be offset.

Consequences of War for US Security Interests

37. It is unlikely that a war between India and Pakistan could be confined to Kashmir. At the very outset of hostilities, the UN might be able to achieve a cease-fire, though India probably would not accept one that left Pakistani forces in control of the Vale. Once hostilities were fully under way, a cease-fire would be unlikely so long as either side had hope of major immediate gains. War on a broad scale would have a serious effect on US security interest.

38. In the first place, war would increase general world tension and uncertainty. Diplomatically, its immediate effect would be to subject the US to heavy pressures for support from both sides. Whether or not the US took an active role in attempting to settle the conflict, war would increase the risk that US policy might alienate one or both of the parties and adversely affect their positions in the East-West conflict.

39. Militarily, war would almost certainly remove any early prospect of Pakistan's joining in plans for defense of the Middle East against a Communist attack. US security interests would also be affected directly through the denial, by an immobilized or neutralist Pakistan, of potentially important air base sites that could be used for bomber strikes against any part of the USSR.

40. From an economic standpoint, if hostilities spread to Bengal, the shipment of important raw materials from Calcutta, including mica, Kyanite, and jute, would be impeded or halted. General disorder in India might also cause interruption of shipments of manganese, which would have serious effects on US industry since over 30 percent

of the US supply currently comes from India. While replacements for these supplies could almost certainly be found in the long-run, there would be some serious short-run procurement problems.

41. By far the most important probable development, however, would be internal deterioration in India and Pakistan. Although the outbreak of hostilities might initially strengthen the respective government's control, any extended fighting would so weaken both countries as to make the maintenance of orderly government a matter of question. There would almost certainly be vast communal disturbances and a resulting increase in the severity of the refugee problem. Such conditions might permit the Indian Communist Party to take over various local areas, and there is a possibility that it would be able, with Chinese help, to assume control of the government.† Outright Communist control is extremely unlikely in Pakistan, but a state of internal chaos and immobilization would be probable.

Appendix

COMPARATIVE STRENGTHS OF INDIAN AND PAKISTANI ARMED FORCES

	<i>India</i>	<i>Pakistan</i>
I. <i>Army</i>		
Active strength	400,000	198,000
Organized National Guard	§	
Major tactical units:		
Divisions¶	$\left\{ \begin{array}{l} 6 \text{ Inf} \\ 1 \text{ Armd} \\ 1 \text{ LofC} \end{array} \right.$	$\left\{ \begin{array}{l} 1 \text{ Inf} \\ 1 \text{ Armd} \end{array} \right.$
Independent brigades	13	
Independent infantry battalions	45	
Kashmiri battalions**	10	20
National Guard battalions in service		7

†The consequences of Communist control of India to US security interest vis-à-vis the USSR, especially in Southeast Asia and the Near East, are considered in NIE-23, "Position of India in the East-West Conflict." [Footnote in the source text. For text of NIE-23, of September 4, see p. 2174.]

§India has been organizing a Territorial Army. Its ultimate size is programmed for 130,000, but thus far India has had only limited success in recruiting men for this force. The mission of the Territorial Army is to serve, not as a combat force, but as an internal police force in time of war. [Footnote in the source text.]

||Pakistan has a part-time National Guard, unarmed, with a personnel strength of about 47,000. (Seven battalions, totalling about 6,700 men, were recently called to active duty.) [Footnote in the source text.]

¶According to their respective tables of organization, Indian divisions consist of about 21,500 men and Pakistani divisions of about 18,000 men. Brigades of both countries consist of about 3,000 men. However, Indian units are very elastic and are often considerably over strength. [Footnote in the source text.]

**Kashmiri battalions in the Indian Army are believed to be at full strength, i.e. 1,000 men per unit, but they are probably inferior in quality to the regular Indian units. Although the Kashmiri battalions in the Pakistani Army contain only about 650 men each, they are nearly as good in quality as the regular Pakistani units. [Footnote in the source text.]

	<i>India</i>	<i>Pakistan</i>
II. <i>Navy</i>		
Light cruisers	1	
Destroyers	3	3
Frigates	6	4
Large minesweepers	6 (3 inactive)	4 (3 inactive)
Lesser types and auxiliaries	18	8
III. <i>Air Force</i>		
Jet Fighters	42 Vampires	4 Vickers Attackers
Conventional Fighters	{ 91 Tempests	68 Hawker Furies
	{ 76 Spitfires	26 Tempests
Light Bombers	27 B-24's	6 Halifaxes
Transports, 2-engine	{ 68 C-47's	36 C-47's, Bristols
	{ 8 Doves	

357.AB/9-1851

*Memorandum of Conversation, by Mr. Ward P. Allen of the Bureau
of European Affairs*

CONFIDENTIAL

[WASHINGTON,] September 18, 1951.

Subject: 1) Kashmir
2) San Francisco Conference

Participants: Sir Mohammed Zafrullah Khan, Foreign Minister of
Pakistan
Mr. Ward P. Allen—EUR

Kashmir. During the course of a lengthy conversation on this subject, Sir Zafrullah made the following major points:

1. He strongly hopes that Dr. Graham's report will be submitted as soon as possible—in any event no later than the end of this month, and he suggested (as he had to the Secretary on September 14) that the US seek to induce Dr. Graham, if possible, to advance the date of submission. I stated that Dr. Graham is, in fact as well as in name, the UN and not the US representative and, without directly suggesting that Zafrullah do so, asked whether he had yet discussed the problem of timing of his report with the Secretariat. Sir Zafrullah replied that he had intended to do so on September 20th.

2. He thinks it vital that as soon as the report is received it be considered immediately by the Security Council and stated he made this point with the Secretary as well as with Messrs. Morrison and

Schuman. It is essential that SC consideration be well under way and the general lines of the Council's action substantially defined by the time the Council moves to Paris in late October. If that is done the Council will be able to continue its consideration in Paris and push it through. If that is not done, then Sir Zafrullah is convinced from past experience, no real action will be taken until after the Sixth GA. I assured Sir Zafrullah that we desired to have the SC act with dispatch and we would certainly share his hope that active consideration would not be postponed until after the GA Session.

3. Pakistan intends to urge that the SC not resort to the appointment of another mediator but itself now make recommendations under Article 37 of the Charter with respect to the demilitarization phase of the dispute. He recounted the mediatory efforts of UNCIP, General McNaughton, Sir Owen Dixon, and now Dr. Graham, and pointed out there must obviously be an end to this procedure and that the Council itself deal with the substance of the issues. He stated that both Sir Gladwyn Jebb and Mr. Gross in the SC meetings leading up to Dr. Graham's appointment expressed the view that this would be the last mediatory effort of this nature. He believes that this is likewise Dr. Graham's view.

4. In response to my question, Sir Zafrullah expressed his high respect for Dr. Graham and stated that he is "an impeccably honest, sincere and scrupulous man". He used the same terms in describing General Devers, Dr. Graham's military adviser.

5. He is strongly opposed to any reference of the case to the GA and stated that he made this clear to the Secretary as well as to Morrison. His reasons are that the case is so complex that it would require a minimum of three months for it to be properly layed before and understood by the GA, and the members of the Assembly would undoubtedly go through the same lengthy processes and procedures as the SC and its mediators had over a period of three years. He foresees therefore that the net effect of GA consideration would be chaos, confusion and delay. He sees no merit in the argument that the judgment of the Assembly representing the international community would carry greater weight than actions of the SC, so long as the latter are backed by the US and the UK. He fears that if the case is given to the GA, even if the SC remains technically seized of it, the impression would be created (fostered by India) that the SC as the UN action body had given it up and that from now on UN consideration will be reduced to the realm of discussion and talk in the organ which has no power to act.

Sir Zafrullah stated that when this matter was discussed with the Secretary Mr. McGhee had indicated that one reason we were thinking of GA consideration is to avoid Soviet veto, but that Zafrullah had pointed out the unlikelihood of this in view of the past record of the USSR in the Kashmir case. He stated that the Secretary agreed with him and indicated his preference for returning the case to the Council. If the Council is then blocked by Soviet veto that is the proper time for us to consider taking the case to the GA under the Uniting for Peace Resolution.

[Here follows a discussion of the San Francisco Conference for the Conclusion and Signature of the Peace Treaty with Japan.]

690D.91/9-1951 : Telegram

*The Deputy United States Representative at the United Nations
(Gross) to the Secretary of State*

SECRET

PRIORITY

NEW YORK, September 19, 1951—8:47 p. m.

355. Re Kashmir. On Bokhari's invitation Ross and I lunched with Zafrullah Khan today. I gave Zafrullah sympathetic lead on possibility of transferring Kashmir case to the Assembly. For a number and variety of reasons, he expressed strong opposition. Among reasons for opposition were: (a) loss of momentum and position gained over long period of time in SC; (b) risk of misinterpretation that SC was merely passing the buck to GA; (c) necessity of explaining intricacies of problem to great majority of members of Assembly and getting involved in all sorts of new and fancy suggestions and (d) risk that Indians (needing only one-third vote) could block any constructive res.

On possibility of action under Art 37 Bokhari in effect let cat out of bag, anticipating by implication that Art 37 action at this time might later lead to Chapter VII action. Zafrullah discounted this but only in sense that there would be no early contemplation of Chapter VII action. I indicated strong belief that realistically council would not be willing to contemplate Chapter VII action. Zafrullah made what he considered and we agreed an important distinction in the sense that in thinking about Art 37 action was not so much thinking of recommendations for solution of Kashmir problem so much as recommendations with view to breaking present deadlock. In this connection, I very tentatively opened question of relationship between Kashmir problem and others in relations between Pakistan and India. Although we cannot be sure that Zafrullah got the point, in any event, he gave no sign of being unreceptive to a broader approach.

On the whole it was our impression that Zafrullah was much more calm and relaxed than he has appeared to be on previous occasions. This was true in particular for example with regard to present military and political situation.

Zafrullah was considerably interested in the schedule for SC consideration of Graham's report. He was concerned lest report be taken up in November during Tsiang's¹ presidency of SC and during the Assembly. He made very clear this did not reflect in any sense on Tsiang or the position of Tsiang's Govt; it was, on the contrary, a concern that the Russians might create confusion in the SC during Tsiang's presidency and that this confusion would be compounded by the fact that the Assembly would be in session. I informed Zafrullah

¹ Tingfu F. Tsiang, Representative of China at the United Nations.

in confidence that we had heard Graham expected to return to this country on the 27th or 28th of September. Zafrullah was very hopeful that Graham might return a day or two earlier, that his report might be issued on the 27th or 28th and that the Council might commence consideration of the Kashmir case early in the first week of October with a view to completing action on this phase before the 22nd. We indicated general support of this objective.

GROSS

690D.91/9-1251 : Telegram

*The Acting Secretary of State to the Embassy in London*¹

SECRET

WASHINGTON, September 22, 1951—3 p. m.

1624. 1. Working level mtgs held Dept Sep 10-14 with Fowler of UKUN and Belcher Brit Emb. Scott of FonOff also had gen conversations with McGhee and Hickerson fol Acheson-Morrison talks which dealt briefly and inconclusively Kashmir.

2. Talks explored all aspects Kashmir case and gen very helpful. No essential disagreement developed tho Brit admittedly rather sterile of ideas. Since it was realized nature Graham report might alter any contemplated approach, no effort made reach definite agreement policy beyond immed SC consideration report.

3. USUN tel 337 Sep 12 rptd 9/14, London 1485 Delhi 606, Karachi 299 arrived in time last talk. Apparent Graham endeavored forestall rejection anything which at this stage cld be called a plan but rather utilized device carefully phrased questionnaire pts to be ans separately, thus permitting essential tabulation of individual pts of difference on which Graham or SC cld suggest compromises. Some reason believe Graham only included questions on which he had recd previous assurances helpful ans.

4. Working level mtgs discussed at some length question ref case to GA. UK appeared favor ref to GA by SC fol submission Graham report. Dept has been inclined favor such action if it definitely appeared unlikely SC cld act effectively, on ground that res by GA wld have broader base, increase pressure on India and possibly open new avenues of solution. However, Dept now inclined favor SC action rather than GA in view GOP attitude expressed by Liaquat to Warren and by Zafrullah to Dept and USUN (NY's 355, Sept 19, rptd London, Karachi, Delhi). Dept also notes possibility some effective SC action may be enhanced by fact that Graham's draft agreement does not entirely freeze situation. If USSR were to veto SC res or GOI were to finally reject, further consideration wld of course be given to ref

¹ Sent also to New Delhi as telegram 669, to Karachi as 326, and to New York as 151.

case to GA. Immed problem is convince GOP that UN making maximum effort toward early settlement. Now apparent ref to GA wld not serve this purpose. London discuss with FonOff, USUN with UKDel, Delhi, Karachi with UKHC's. Cable comment soonest.

WEBB

690D.91/9-2451

Memorandum by Mr. William D. Pawley,¹ Consultant to the Secretary of State, to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee)

SECRET

[WASHINGTON,] September 24, 1951.

Subject: The Kashmir Problem

During my recent visit to India to explore the possibilities of obtaining additional quantities of strategic materials,² I had an opportunity, purely by accident, to ascertain some facts which may offer a possible solution of the Kashmir problem.

During the negotiations with various Indian Government officials, references were made upon several occasions to mineral resources recently found in Kashmir. While I was calling on Dr. S. S. Bhatnagar, Secretary of the Ministry of Natural Resources and Scientific Research of the Government of India, I was shown samples of high-grade sulphur, of which he stated that scientists of his Ministry had found a 400,000 ton deposit in Kashmir. He also showed me samples of numerous other valuable minerals found in Kashmir and told me that in addition they had found deposits of copper, gold, and silver, which he thought might turn out to be extremely valuable. During this visit with Dr. Bhatnagar, the idea occurred to me that possibly he, more than anyone else, was influencing the Prime Minister to hold on to Kashmir at all costs, even to the extent of risking armed conflict.

A few days prior to this meeting, the Prime Minister had told me that the future of India is greatly dependent upon scientific development and the use of its mineral resources. In a brief talk with Dr. Graham a few days later, I told him that I thought that although the Kashmir problem had many well known political implications, the discovery of potential mineral resources might very likely turn out to be one of the main reasons why Prime Minister Nehru was unwilling to risk a plebiscite.

¹ Formerly Ambassador to Peru (June 1945-April 1946) and Ambassador to Brazil (April 1946-March 1948).

² Mr. Pawley's mission dealt with U.S. assistance programs and with acquisition of materials for use in the U.S. atomic energy program: documentation is scheduled for publication in volume I; and see pp. 2085 ff., herein.

As you know, Dr. Bhatnagar is now in the United States and I have had several conversations with him. While he was visiting at my home the weekend of September 15, I took the occasion to press him regarding the importance that he and the Prime Minister place on the mineral discoveries, the hydroelectric power potential, and the other economic assets of Kashmir. He admitted that he, the Prime Minister and other members of the Indian Government look upon the wealth of Kashmir as being far more important to India than any political considerations. He told me more of the sulphur discovery and said a road was being built to facilitate its transportation to a railroad.

Thinking that possibly an economic solution might be the key to the problem, I asked Dr. Bhatnagar if he thought the Prime Minister would be interested in a proposition in which the United States and England would participate with India and Pakistan in a corporation for the development of mineral resources, hydroelectric power and the other economic assets of Kashmir. Such a corporation could be financed initially by the World Bank and the four countries involved but could be organized on a self-liquidating basis so that all foreign advances would be repaid at the end of ten, or so, years, during which the area would be under a trusteeship arrangement of the four countries with both India's and Pakistan's troops withdrawn. Dr. Bhatnagar said he thought this would offer the Prime Minister a solution, especially as it would enable India to cut down on her now high military budget, now being devoted exclusively to Kashmir.

I know that many suggestions for the solution of this pressing problem have been submitted, but I am convinced that an economic solution must be found. I think it is significant, moreover, that Dr. Bhatnagar feels that Prime Minister Nehru would very likely welcome a proposal such as I have outlined above.

I shall be glad to discuss this further with you or with anyone to whom you may wish to pass on this memorandum.

690D.91/9-2551 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, September 25; 1951—4 p. m.

1503. 1. Extended conversation at FonOff yesterday revealed fact UK thinking closely in accord with that described para four Deptel 1624, Sept 22 to London rptd Delhi, Karachi, USUN.

2. Main UK objective is play for time but, in order avoid exacerbation Pakistan, aim shld be initiate some action in SC before it moves to Paris next month. Clearly, firm decision cannot be reached until

Graham report received and studied and reactions India and Pakistan obtained.

3. UK prefers delay in reference to GA in order (a) meet Pakistan's present objection ref to GA and (b) enable UK-US choose most favorable moment in light India's reaction to discussions.

4. There appears to be chance Graham's report may leave opening for further useful action in SC. If so, such course wld be advantageous for fol reasons: (a) it wld avoid appearance of deliberately ignoring Pakistan's views; (b) it wld leave ref to GA as a reserve tactical maneuver; (c) it wld avoid or postpone damaging effect on prestige of SC in case of admitted failure solve disputes; and (d) it might serve as means of keeping negotiations alive until after Indian elections in December.

5. In any further SC action it is essential there be no risk such action wld lead to deadlock. This wld not only further exacerbate Pakistan but also wld make such a ref to GA transparent avoidance of problem by SC.

6. Foll are comments on suggested courses of action in SC as brought up in recent Washington discussions:

a. Resolution under Article 37, recommending parties take certain specific action, open to foll serious objections: (i) it wld likely lead to deadlock in SC; (ii) it wld tend to put India "in dock" and wld thus undermine remaining chance agreed settlements; and (iii) rather than reference to GA providing opportunity for new ideas to emerge, this hoped for development wld be made more difficult if issues had already been narrowed down by terms of an Article 37 resolution.

b. Extension of SC activities to include potentially valuable industrial basic proposal undesirable, as to link it with political settlement of Kashmir question wld be best method of killing it.

c. Reappointment of Graham with further negotiating powers has attractive features, particularly opportunity it affords of keeping discussion open. Further SC action might well be based on this idea but under foll essential conditions: (i) it wld be folly reappoint Graham in face hostile reception by either party to Graham report; (ii) Graham's terms of reference shld continue to be based on provisions agreed UNCIP resolutions; (iii) Graham's functions shld be limited to political aspects Kashmir dispute and shld not be broadened to include such other problems as canal waters or evacuee property; and (iv) altho, in order preserve momentum Graham's activities he cld be given wider terms of reference than under present resolution, they shld be phrased so as not to weaken Pakistan's position. Even though Graham cannot be reappointed he might continue in other ways to be associated with further action.

7. Proposal for immediate partition Kashmir, with vale question shelved for period of four years, under consideration.

8. Spontaneous pressure from Asian states shld prove valuable but in order avoid suspicion US or UK had inspired such activity we shld make no move this direction.

Understood above views being communicated by FonOff and CRO to British Missions Washington, Karachi and Delhi for their comments and for further discussion with their US colleagues.

Dept please inform USUN.

Sent Dept 1503, rptd info Karachi 41, New Delhi 38.

HOLMES

690D.91/9-2651 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET

NEW DELHI, September 26, 1951—1 a. m.

1123. Deptel 669, Sept 22¹ and related telegrams discussed with UK HC (Nye)² today. He read me exchange telegrams with London in which he urged that British attitude toward UN handling Kashmir question be kept flexible until Graham report available and situation resulting from it became clear. He had said that Graham had made excellent impression upon Nehru and Indians generally, as he had also in Pakistan.

From what was known of Graham questions to two govts it was clear he had been at pains to keep situation open if possible. Nye understood Pakistani replies had been favorable, and from remarks by Bajpai he judged that GOI had given most careful consideration to its reply. Nye also thought approaching adjournment Parliament and coming elections India were beginning to have influence on GOI and Parliament in the direction of avoiding a showdown with UN and delaying Kashmir settlement efforts until after elections.

Nye said he was inclined (assuming Graham report kept Kashmir question open) to urge that effort be made use Graham demonstrated skill and high prestige for further negotiations, and possibly to widen scope his powers.

If, on other hand, Graham report showed no possibility further progress under existing resolution, Nye was inclined favor reference Kashmir question to GA, since he believed that action under Article 37 wld lead to hardening of Indian attitude and that this wld be prejudicial to efforts by GA to resolve dilemma. Reference to GA also wld have merit of gaining time at unpropitious moment. Nye intimated he thought new govt after elections wld be more ready to negotiate than present GOI.

¹ Same as telegram 1624 to London, September 22, p. 1862.

² Sir Archibald Nye, High Commissioner for the United Kingdom in India.

Embassy in agreement with Nye views regarding Graham and his possible future usefulness this problem. We are also inclined believe GOI, while most reluctant if not unwilling reach agreement on Kashmir before elections over, will be in better position to undertake settlement, for better or worse after elections.

Embassy struck by apparent interest of Zafrullah (Deptel 667, Sept 21 rptd Karachi 325)³ in action under Article 37 to break present deadlock as distinct from final solution of Kashmir problem, as well as certain other possible indications that Pakistan may be relaxing pressure toward early final solution. Pakistan HC in New Delhi recently remarked to me that last thing Pakistan wished was see Nehru lose power in India. A possible interpretation of such remark by Pakistani officials is that Pakistan may be beginning to see some virtue in not pressing the Kashmir issue to a showdown in months just ahead.

It wld be helpful to Embasssy for possible future use to know steps which wld ordinarily fol Article 37 action.

Repeated info London 45, Karachi 67, USUN unnumbered.

STEERE

³ Telegram 667 to New Delhi, September 21, repeated as telegram 325 to Karachi, transmitted the text of telegram 355 from New York, September 19, p. 1861.

690D.91/9-2851: Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, September 28, 1951—7 p. m.

1567. FonOff learns from UKUN Graham returning today and consideration being given to informal talk between Graham and US and UK dels before report published. Although FonOff view not yet firm this question, preliminary thinking is UK del shld not participate for fear of getting into bad graces of Nehru who, it will be recalled, on publication Dixon report accused US-UK of having influenced Dixon in preparation thereof.

UK hesitation this respect, however, based on reasons not necessarily applicable to US. Important points to bear in mind from UK viewpoint are (1) report shld leave door open for further negotiation (if practicable by Graham himself) on any unsettled issues and therefore (2) action under Art 36¹ wld be preferable to action under Art 37.

GIFFORD

¹ With respect to procedure under Article 36 of the U.N. Charter, see United Nations, *Repertory of Practice*, vol. II, pp. 273 ff. and especially pp. 309 ff.

690D.91/9-2851: Telegram

*The Acting Secretary of State to the United States Representative
at the United Nations (Austin)* ¹

SECRET

WASHINGTON, October 1, 1951—7 p. m.

167. Re Kashmir (urtels 389,² 390 Sep 28) : ³

1. Re timing SC mtg: SC Kashmir discussions Oct complicated by: (a) SC consideration Iran problem; (b) Graham's views (reported USUN's 390) wld file report around Oct 8 and did not contemplate SC action prior Paris; (c) changed UK attitude preferring action near end Oct (USUN's 389, London's 1537,⁴ Sep 27, rptd Karachi 42, Delhi 38).

2. Accordingly, any timetable tentative but Dept still believes advisable SC mtg New York before Oct 19 adjournment for move to Paris because: (a) necessity forestall increased tensions, particularly Pak; (b) Dept and UKDel statements to Zafrullah re early mtg fol submission report (USUN's 369, Sep 24,⁵ rptd Sep 26 London 1679, Delhi 691, Karachi 336). Dept questions realism attempting set specific date introducing res, but believe parties might be able speak before Paris move. Such plan wld not necessitate UK or US speaking until resumption discussions Paris.

3. In discussing SC timetable with Graham (Urtel 390) suggest you indicate Dept favors, unless he perceives overriding objections, early consideration case and we wld like discuss future courses action after careful study his report expressing hope he will continue make available his services future use.

WEBB

¹ Repeated as telegram 1763 to London, 355 to Karachi, and 723 to New Delhi.

² In telegram 389, from New York, September 28, not printed, Ambassador Gross reported the substance of a conversation with Mr. Robert Fowler of the U.K. Delegation at the U.N. concerning consideration by the Security Council of the Kashmir question (690D.91/9-2851).

³ In telegram 390, from New York, September 28, not printed, Ambassador Gross reported that Dr. Graham had arrived in New York that morning, that the preparation of his report would require another ten days, and that Graham did not contemplate action by the Security Council prior to its move to Paris (690D.91/9-2851).

⁴ Telegram 1537, from London, September 26, not printed, reported in part that the British Foreign Office believed the last week in October to be the best time for Security Council consideration of the Graham report (690D.91/9-2651).

⁵ In telegram 369, from New York, September 24, not printed, Ambassador Austin reported that Pakistan Foreign Minister Zafrulla had stressed to the U.K. Delegation at the U.N. the importance of bringing Graham's report before the Security Council at once. Zafrulla favored a resolution under Article 37 of the U.N. Charter that would pinpoint the differences between India and Pakistan, set forth what each party should do about these differences, and lay the foundation for action by the General Assembly in case of Indian disregard of the resolution. (690D.91/9-2451)

UNP Files : Lot 59D237

*The Acting United States Representative at the United Nations
(Gross) to the Assistant Secretary of State for United Nations
Affairs (Hickerson)*

TOP SECRET

[New York,] October 2, 1951.

DEAR JACK: On Frank Graham's invitation I spent last evening with him for a completely personal confidential talk on Kashmir. He is extremely anxious that his views be confided to the narrowest possible group and I told him that I agreed to take the following matters up only with you and George McGhee, to whom I am sending a copy of this letter.

Graham feels he was well received by Nehru and believes that although Nehru had originally intended to deal with Graham on a purely ceremonial basis, Graham was able to make a dent upon him in terms of appealing to his ego and sense of destiny. Graham spent three or four hours alone with Nehru, playing this theme and implanting in Nehru the germ of the idea that Nehru's potential leadership position in Asia and the world would be thwarted so long as the Kashmir dispute remained unresolved.

Graham thinks that the time for a Security Council decision is at hand. He is willing (I should say even anxious) to remain in the picture but on a basis which he considers sound.

The plan that he unfolded which I outline below has been built up inductively *and is to be regarded as an integrated whole*. Graham and his immediate advisers (notably General Devers) made a painstaking survey of the history of the dispute, extracting every substantial point as to which questions have been raised or objections made by either party and their plan is deliberately drawn from the standpoint of meeting all of these objections. Therefore, at least so far as its method of preparation and concept is concerned, it seems to me that the plan is entitled to great respect. Graham has pretty well made up his mind and I would venture the guess that it would take the most cogent arguments to shake him. The only person other than myself in whom he has confided is Trygve Lie and Lie has apparently indicated his agreement. Graham is most anxious that it not be known that he has discussed the plan with me and feels, rightly or wrongly, that any leak would fatally injure his chances of success. He did not show me the report but outlined it orally. (I had the impression he wanted to be able to say in the future that he had not shown his report to anyone in advance of submitting it to the Security Council.) In view of the fact that he recited orally, I am not in a position to give you a text. The following is a summary I have prepared on the basis of my own recollection immediately after I got home last night. The points are not necessarily in order but I believe I have all of them.

The Security Council would adopt a resolution, on the basis of recommendations in Graham's report, which resolution would make substantive recommendations in the following sense:

1. Both governments would, as part of the plan, agree to a "no war" declaration.

2. Both governments would instruct their officials not to make warlike or inflammatory statements and would request all media of public information to refrain from such statements.

3. Each government would pledge not to permit its armies or irregular forces to make incursions, raids or warlike demonstrations or activities.

4. Both governments would reaffirm the cease-fire agreement.

5. Additional observers would be placed at strategic points throughout the state.

6. Both governments would reaffirm their determination to have a free and impartial plebiscite.

7. Both governments would agree that demilitarization will be a single, interdependent and continuous process.

8. Demilitarization would take place in such a way as not to endanger the cease-fire line.

9. At the end of demilitarization period there would be left on the Pakistan side 4,000 civil police and on the Indian side 8,000 troops, militia and state forces.

10. *4,000 U.N. troops would be stationed in Azad Kashmir* within a period such as three months (or whatever period would be required for the recruitment or deployment of such troops).

11. Representatives of both governments would meet to draw up practical details of demilitarization.

12. At the end of the demilitarization period (to be completed in some fixed time, perhaps ninety days), *the Government of India will cause a plebiscite administrator to be inducted into office.*

13. Nothing in the agreement would be deemed to impair functions or authority of the U.N. Representative or the plebiscite administrator.

14. Any disagreements between the parties concerning implementation of the foregoing would be referred to the U.N. Representative, whose decision would be final.

Graham thinks it is of great importance to have the Security Council itself make these recommendations. I explored with him the possible alternative of having the Security Council adopt a resolution in broad form extending his term and enlarging his authority so that he might himself subsequently make specific suggestions, but he appears to be firmly convinced that the Council should itself make substantive recommendations at this stage. He thinks this would add greater force to them and strengthen his hand. He believes it would be very difficult for either government to reject these proposals since, as I have said above, they are based upon and reflect a distillation of points which have been raised in the past and which these proposals are designed to meet.

You will note certain key points, which I have underscored.¹ Graham is particularly taken with the idea of stationing U.N. troops in Azad Kashmir. Such a device, while meeting the Indian objections to "stationing foreign troops" on Indian soil would also deprive Nehru of the argument that India fears hostile action from across the frontier either by Pakistan regulars or tribesmen. He thinks that it should be acceptable from the Pakistan viewpoint because it would guarantee Pakistan against attacks by Indian forces of whom there were now upwards of 60,000 deployed in Kashmir. I made clear my feeling that the U.S. Government would not consent to U.S. contingents serving in such a force. Graham agrees.

You will note that the plan envisages the reduction of forces on the Indian side to 8,000, including troops, militia and state forces. This number would be balanced on the Azad side by adding to the 4,000 U.N. troops in Azad Kashmir, 4,000 civil police. These would be recruited by the Commander of the U.N. forces, in consultation with the Pakistan Government. The resolution might also provide for consultation by the U.N. Commander with the Indian Government, although in any case the recruitment of civil police would be by the U.N. Commander subject only to prior consultation but not clearance.

Graham realizes that Nehru might argue against stationing U.N. forces in Azad Kashmir on the theory of "sovereignty" of the Indian state over the Azad area. However, this would be such a patently sham and arbitrary position that Graham doubts that even Nehru would stoop to it.

Graham attaches importance to the other point I have underscored¹ which would require the Government of India to take action necessary to install the plebiscite administrator. He feels the earlier agreement is weak in that it requires Sheik Abdullah's voluntary action prior to the installation of the plebiscite administrator, thus leaving the way open for the Sheik and for the Government of India to play ring around the rose. Graham's suggestion would result in the Security Council pinning the rose on Nehru. Moreover, he thinks it important that the Security Council explicitly provide that such action would be taken at the end of the demilitarization period, which might be fixed in the resolution. Otherwise, he feels Nehru would simply not get around to taking this decisive step.

I sought Graham's opinion concerning the significance and possible consequences of the convening of the Constituent Assembly and actions which the Assembly might take. Somewhat to my surprise, he tended to minimize both the significance and potentially dangerous consequences of the election as well as of the Constituent Assembly. He

¹ Printed in italics.

believes the election was so patently a farce that it has fooled no one and possibly has even to some extent discredited Sheik Abdullah. In many areas of the state no rival candidates came forward and the elections were apparently not taken seriously by large and important elements of the population. The most potentially dangerous consequences of the Constituent Assembly reporting to reaffirm accession to India or otherwise passing upon the question of accession would, Graham seems to believe, be met by those points in his plan which would call upon both governments to reaffirm their determination to have a free and impartial plebiscite. I got the impression this is probably the chief importance of paragraph 6 in the outline.

I asked Graham what his attitude is toward the arbitration provision of the March 30 resolution. He does not believe that there is any hope, at the present time at least, of the Indians agreeing to arbitration. He believes, however, that this might be kept alive as a concept in a new resolution for possible ultimate use.

In general, his analysis is that there are two broad alternatives open to him and to the Council. One is for him to carry out the literal provisions of the resolution of March 30 and to report remaining differences of opinion so that arbitration could be invoked. The other course is the one he preferred and which is outlined in this letter. As I say, he has pretty much made up his mind that the latter course is the one which holds promise.

Now, as to timing. Knowing Frank as well as you and I do, you will not be surprised to know that he is intent upon working out his report meticulously and with the correct phrase. Now that he has made up his mind, he wants to allow himself time in which to shape up his thinking and he also wants his report to give a great deal of the history and background of the problem. He told me that accordingly he would not be ready for another ten or twelve days. This led us into a discussion of the situation in the Council because of the Iranian case. You will recall the Council decided yesterday to meet again on October 11 when Mossadegh may be here. I think we must assume that October 11 and 12 will be taken up very actively with the Iranian question. Moreover, I think that it would be a mistake for Graham to file his report on the very day on which the Council is debating Iran since his report would be completely overshadowed and the basic importance of the Kashmir question would be minimized. Therefore, I discussed with him the possibility of his filing his report on Monday the 8th or Monday the 15th. He said he would definitely not be ready by Monday the 8th and we left it on the wholly tentative basis that he would file his report on Monday the 15th. He said this was no commitment and I expressed understanding, but I did urge him not to delay beyond that date.

I suggested to him, and he agreed, that if he were indeed ready on October 15 the Council might meet and he would make an oral presentation to the Council. There would be no need, therefore, to wait until the report is translated and processed which would probably require five or six days. His oral presentation on the 15th would start the ball rolling and meet the essential point in Deptel 167, October 1, in which the Department expresses the view that it would be advisable to have a Security Council meeting in New York before October 19 adjournment. I explained the adjournment problem to Graham and he agrees. There might even be a second meeting of the Council prior to October 19 in which the parties might state their preliminary reactions to his report. However, this can be left open for later determination.

I don't suppose I need say it, but it will do no harm to reassure the Department that I undertook no commitment of any kind. On the contrary, I told Graham I was without authority and said that I would communicate with you and George McGhee and then get in touch with Graham again. He expects me to do so.

I think it only remains to say that Graham has returned from the subcontinent with the strongest feeling that this dispute will, if unsettled much longer, lead to war. My impression is that he feels that if his recommendations are adopted by the Security Council, it would open the road to a peaceful solution and that he would go back to the subcontinent with restrained optimism and deep faith in his mission.

Sincerely yours,

ERNEST A. GROSS
Ambassador

690D.91/9-2851 : Telegram

*The Acting Secretary of State to the United States Representative
at the United Nations (Austin)*

SECRET

WASHINGTON, October 2, 1951—7 p. m.

171. Re: Kashmir (urtels 389, 390, Sept 28) :¹

Re pos course of action: Dept strongly supports USUN belief UK-US cld draft res based on both Arts 36 and 37 without citing them. Dept believes continued ref these arts has been somewhat confusing. While must await Graham report and private discussions with him, Dept considering fol course:

Expand Graham's powers enable him endeavor induce parties carry out his 13 point program previously submitted to parties. Dept favorably disposed USUN belief res shld both hold parties UNCIP commitments and enable Graham explore mutually acceptable settlements

¹ See footnotes 2 and 3, p. 1868.

along lines Dixon's powers. Phrasing can probably be found to avoid implication SC abandoning UNCIP agreements while seeking solution *mutually acceptable both parties*.

WEBB

UNP Files : Lot 59 D 237

The Assistant Secretary of State for United Nations Affairs (Hickerson) to the Acting United States Representative at the United Nations (Gross)

TOP SECRET

WASHINGTON, October 5, 1951.

DEAR ERNIE: Your letter of October 2, concerning your confidential talk with Frank Graham, was reassuring to both NEA and ourselves. We were all very much heartened by both the disclosure of Dr. Graham's ideas on future action in this perplexing dispute and, particularly, by the indication of his willingness to continue in the picture. The fact that as perceptive a person as Frank Graham is willing to continue to act as the United Nations Representative gives me hope that there is still some possibility of arriving at a reasonable settlement of the Kashmir problem.

When you get in touch with Dr. Graham, as you have said he expects you to do, please let him know that we generally favor his preferred course outlined in your letter, and that we are delighted he appears willing to continue to be of service to the United Nations in attempting to advance the Kashmir dispute along the lines he has suggested. We are deeply impressed by the amicable relationship he established with Nehru, particularly because his personal relations with the Indian Prime Minister are clearly a factor in making any progress towards solving the Kashmir problem.

We are interested in an explanation of two points in Dr. Graham's program:

a. Does the 90-day period for completing demilitarization include the drafting of the demilitarization plan by the Representatives of both governments, or does Dr. Graham want an indefinite period during which the Indian and Pakistan Representatives would draft the demilitarization plan—with the 90-day period assigned to the carrying out of this demilitarization plan?

b. If the Indian and Pakistan Representatives are unable to work out the practical details of demilitarization, does Dr. Graham's plan envisage that the United Nations Representative would settle any disagreements on these details or himself work out a demilitarization plan on the basis of the UNCIP resolutions?

Incidentally, I note that the whole Graham plan continues to drive hard toward a state-wide plebiscite, and I cannot help but wonder what is in Dr. Graham's mind concerning the next step if his present approach outlined in your letter does not work.

Both NEA and ourselves greatly appreciate your efforts to convince Dr. Graham he should present his report to the Security Council in New York not later than October 15, even though the report might not be translated and he would have to make an oral presentation. We do think it most important that there be a Security Council meeting on Kashmir as soon as feasible, and this belief is buttressed by Dr. Graham's own estimate of the situation reflected in his strong feeling that the dispute will, if unsettled much longer, lead to war in the subcontinent.

Karachi's telegram 364 of October 4¹ reporting Liaquat Ali Khan's concern over the effect in Pakistan of delay in presentation of the report points up the urgency of the earliest possible action.

Sincerely yours,

JOHN D. HICKERSON

¹ Not printed.

357.AB/10-551: Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

TOP SECRET PRIORITY NEW YORK, October 5, 1951—8:42 p. m.

Unmis 64. For Hickerson from Gross. Re: Kashmir. Yesterday Graham telephoned and asked if on thinking it over I had developed some thoughts in reaction to the line of action he had outlined to me Monday,¹ which I embodied in my letter of Oct. 2 to you. I said that I had not yet heard from you and McGhee but that I personally was having increasing doubts whether SC should go ahead on your idea without knowing whether it was jumping off cliff or five-foot fence. I wondered what would happen if SC shot its bolt and missed. Probably war.

Just now Graham called again and said that while he is still firmly wedded to his idea he is beginning to feel it should be presented differently, to minimize risk rejection by parties. He is now thinking of following:

Instead of SC, without warning, confronting parties with idea containing elements not put up to them on sub-continent, he would limit report to background and facts including his 12 points and statement of areas of agreement and disagreement thereon. After submission of report he could try out new elements (neutral force, etc.) on the parties in private consultations. He would probably choose Paris for these consultations in order be near SC and able, if parties agreed to proposal or for internal political reasons wished weight of SC pronouncement, to have immediate SC action.

¹ October 1.

Graham thinks this mediation would be better than frontal attack of doubtful outcome. He realizes new procedure will take some punch out of report but said better to be wise than "punchful."

GROSS

357.AB/10-651 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

TOP SECRET PRIORITY NEW YORK, October 6, 1951—2:10 p. m.

Unmis 65. For Hickerson from Gross. Re: Kashmir.

Graham called me just now and brought me up to date on his thinking since last night. You will of course realize that his thoughts are going through evolutionary process as he thinks problem through here in New York. But I stress his basic thinking, as set forth in my letter of Oct 2 to you, remains constant and he is concerned principally with tactics connected with his report, SC action, and his private negotiations with the parties. Your guidance on these questions, in the light of the Kashmir problem and Graham's approach to it, will be highly important to him and to me as we exchange ideas and work this problem out. My next talk with him, when he wishes to discuss the following ideas on approach, will probably be at lunch Monday, Oct 8. He is anxious for constructive suggestions.

You will recall that in my letter of Oct 2 I reported that I had suggested to Graham possibility that SC might adopt res extending his term and in broad form enlarge his authority to deal with Kashmir case. Graham is now turning over in his mind this possibility. He wonders whether he might submit a report which would give factual background, including twelve points previously discussed with parties and parties' reactions thereto, and add to his report recommendation that SC enlarge his mediatory authority. He would not in his report make reference to the "new points" discussed in my letter, nor would he want the SC to do so. Instead, acting upon the basis of a res which in broad and general terms widened his mediatory authority, he would present informally to the parties these new points and endeavor to persuade them to accept.

The advantage he sees in such a course would be that he would thus not be bound to the specifics of the points but might, for example, find some method of "international policing" other than the introduction of UN forces. Moreover, the parties would not be in a position to anticipate his informal discussions with them by taking a public position regarding his new points. This he feels the parties might do if his report were to refer to them.

He stressed, and I of course agreed, the decisive importance of making clear that the UNCIP res of Aug 13 and Jan 5 remain intact and are in no way abrogated.

GROSS

357.AB/10-651 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET PRIORITY WASHINGTON, October 8, 1951—8:13 p.m.

Misun 70. For Gross from Hickerson. Re Kashmir (Unmis 64 and 65, Oct 5):

Until the receipt of your messages, UNA and NEA had been reluctant to express fully our views regarding Graham's approach, because we did not wish to give him cause to believe we were attempting to pressure him. It now appears clear that Dr. Graham really wants our views in order to help resolve the issues which have been troubling him and the Department. Consequently I will spell out our views in some detail, in the hope that these remarks will help Graham to decide what future course of action he should recommend.

Our thinking is conditioned by two basic concepts: There must be UN activity of such nature as (a) to help prevent the parties' attitudes becoming frozen and adamant, (b) to give Pakistan sufficient hope of a reasonable settlement so that it will not in desperation resort to armed force. This means it is generally advisable that the SC avoid presenting either party with a recommended course of action which at the time would probably be publicly rejected so strongly as to cut off the possibility of immediate and continuing negotiations. It would be better to give the UN representative continuing authority enabling him to deal with the parties.

Consequently, while recognizing the possible value of the forthright approach outlined in your letter of October 2, we have had some doubts regarding Graham's original desire that the SC resolution recommend the detailed course of action he outlined. While the Department would have been willing generally to follow that course of action, there was the exceedingly difficult question of the next step if India refused categorically to accept the recommendation. Moreover, the United Kingdom, in part because of the October 25 general elections, had clearly indicated its desire to avoid a resolution which might not provide room for future negotiations. Finally, there was USUN's doubt concerning the course of action if possibilities in the council had been exhausted—and I believe an Indian rejection of Graham's detailed plan at this stage would severely limit if not exhaust the SC's possibilities.

With this as background, I believe that it would be wiser for Graham to submit at the earliest possibility, and no later than October 15, a report giving the factual background, including the points previously discussed with the parties, and a recommendation that the council continue his mediatory authority. The parties should be able to make introductory statements, at least, prior to the council's adjourning to Paris. In November, the UK, US and other sponsors could introduce a resolution which would continue Graham's mediatory authority, clearly referring to the UNCIP resolutions as the basic authority. Graham could then present new points, such as those described in your October 2 letter, informally to the parties. It probably would be advisable to provide in the resolution that Graham file a progress report concerning his negotiations, and it would be helpful to know Graham's views on the time-limits for such reports.

If these efforts fail, the SC might well consider passing a resolution broadening Graham's powers to enable him to explore possible solutions outside his present terms of reference.

Please impress on Graham our pleasure at his willingness to continue his efforts, which everyone agrees is the best factor for success. [Hickerson.]

ACHESON

357.AB/10-951 : Telegram

*The Acting United States Representative at the United Nations
(Gross) to the Secretary of State*

TOP SECRET

PRIORITY

NEW YORK, October 9, 1951—6:56 p.m.

Unmis 69. For Hickerson (UNA) from Gross. Re Kashmir: At his invitation, I lunched with Graham today in his hotel room. We discussed the complications in timing of the submission of the report and ways of obtaining maximum impact despite publicity of Iranian case. I urged Graham to submit his report by Saturday, the 13th, and at the latest by the 15th. He thought he might not be able to submit it by the 13th but possibly could on the 14th. We thought report could be released to press by Secretariat upon submission but we would look into SC schedule in order to avoid blanketing by meeting on Iran.

I outlined the concepts of Misun 70, all of which we both felt were consistent with Graham's plan. He is thinking in terms of broad mediatory authority such as Dixon had and feels SC action is necessary to broaden his present powers since he does not believe March 30 resolution broad enough to give him Dixon's full authority.

Re Question A in your letter of October 5, Graham envisages that period for completing demilitarization (which need not necessarily

be for exactly 90 days and could possibly be a range) would follow drafting of demilitarization plan. He has in mind no time limit for such drafting. His theory is that if there is a will for settlement on both sides, agreement will be reached quickly. If there is not, there will be no agreement. Graham's problem is to instill such will in both parties.

Re Question B, Graham intends to submit his own plan in event parties fail to agree. He has such plan already mostly worked out and has shown parts of it to the parties. Naturally new points have arisen [concerning?] which he has not had an opportunity to talk with the parties.

I told Graham that in thinking things over further, it seemed to me Graham might offer UN troops to both sides not Pakistan alone. He said he would think this over, offering advantage that Pakistan might accept even if India did not, the former thus accumulating virtue.

Graham had no new ideas on tactics since my Misun 65, October 6.

GROSS

330/10-1051 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, October 10, 1951—11 a. m.

379. Prime Min sent for me last night to express his disappointment at delay in presentation of Graham report to SC. He said Graham had told Paks before leaving Karachi his report wld be available for Lie by 1 Oct but said Prime Min "he saw Lie on 29 Sept and nothing has been heard of the report since."

I told him posit of US had been clear in desiring presentation of report and discussion by SC in Oct before Council departed for Paris. He said Zafrulla had confirmed such an understanding but he now feels there has been a double-cross somewhere.

He said "the Amers may not be responsible for it but they will be blamed for it. We Paks are convinced that where Amer interest is engaged action fols shortly after."

I then mentioned urgency of Iran issue in which Pak as well as US has a polit as well as a commodity interest. He agreed that sitn as presented in NY by presence of Mosadeq¹ is of prime urgency but expressed belief that some solution must be reached within next few days. He thought it wld be mistake from everybody's point of view except the Soviets to have Iran question aired in SC. Immed thereafter he said Paks hope that SC will be able to take up Graham report

¹ Mohammad Mossadeq, Iranian Prime Minister.

not later than 15th this month in order have debate on what are "no more than procedural recommendations" before recessing to France.

Dept pass USUN.

WARREN

330/10-1151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET PRIORITY

KARACHI, October 11, 1951—noon.

384. Ref Embtel 379 10th Oct 11 a. m. Fol my conversation with PM, Assoc Press Pak yesterday carried govt-sponsored note that people of Pak disappointed failure SC discuss Kashmir issue since return of Graham to NY end last month.

Today English-language press carries protest by several named leaders Muslim League, single party supporting govt, protesting failure Pak Govt's "wait and see fon policy". Press also carried today note all student bodies in Karachi colleges and univs held mtgs yesterday to organize campaign for action on Kashmir. *Civil and Military Gazette*, in leading editorial (ref Embtel *en clair* 383 Oct 11),¹ advocates popular demonstrations as most effective means to attract internatl attn to problem and cites its effectiveness in Iran and Egypt. If Pak Govt promotes or even permits renaissance of popular emotion to attract internatl attn to Kashmir issue at this time I believe it invites an uncalculated risk of war. At the same time there is justification for impatience shld SC fail to take up Graham report without further delay. I urge strongly that US and UK support hearing on Graham report within the next week and so forestall the extension to Paks [of] a chain reaction against UK that might easily affect dissident elements in this country.

Dept pass USUN.

WARREN

¹ Not printed.

357.AB/10-1251 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET

WASHINGTON, October 12, 1951—7:09 p. m.

200. Re Kashmir:

On Oct 8, Dept raised possibility 2-step procedure re Graham's future terms of reference:

(1) In next res SC wld continue his mediatory authority under Mar 30, 1951 res. Under this authority he wld informally present new points outlined in your 2 Oct communication and file progress reports;

(2) If Graham's efforts under step 1 above failed, SC might pass further res broadening his powers and enabling him explore possible solutions other than state-wide plebiscite.

In your 9 Oct communication, Graham did not comment upon this 2-step procedure, and Dept wld be interested in his views on this point.

Dept sees advantage in 2-step approach above primarily because postpones SC indication approval solutions other than state-wide plebiscite. Res under step 1 might appeal Paks as showing full SC support for state-wide plebiscite while strengthening Graham's hand in pursuing UNCIP res objectives. Second step res broadening terms of reference cld then be tailored to needs of occasion.

Re step 1 above, ask Graham if he believes he wld have sufficient authority discuss with parties new points in 14-point plan by res merely continuing his mediatory authority under Mar 30 res. If not, what language does he think necessary? It follows from above that use Dixon's terms of reference at this time might be risky as indicating implied approval solutions other than state-wide plebiscite.

ACHESON

357.AB/10-1251 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

TOP SECRET PRIORITY NEW YORK, October 12, 1951—7:38 p. m.

466. Re Kashmir: Gross told Graham this afternoon of Embassy Karachi's tel 379 of Oct 10 and said that we were increasingly worried lest we get entire blame for delay in submission Graham's report. He emphasized Liaquat sarcastic remark that Pakistanis are convinced that action happens in short order where American interest is engaged.

Graham said he was impressed by this and felt he should change his plans. He had been working on big historical survey of case for inclusion in his report, which was what was delaying it, but would omit this and submit shorter report reviewing areas of agreement and disagreement and make recommendation that he be given broader mediatory powers. He would present this to SYG Monday¹ and later on would add historical section. He would be prepared to speak in Council later on next week. He thought there should be early renewal of Kashmir discussion upon arrival of SC in Paris. He had in mind date as early as Oct 25. Gross said we would do our best to support Graham's wishes but foresaw the problem of a number of delegations not arriving in Paris until Nov. He thought we would know more about this factor before adjourning for Paris.

¹ October 15.

FYI at meeting this morning with Jebb and SC President Muniz, Gross brought up Kashmir question and emphasized urgency of having SC meeting on it before adjourning to Paris. Saying that he did not know when Graham report would be submitted, he asked whether Muniz could fit in meeting on Kashmir next week notwithstanding debate on Iran, if report presented. Jebb offered no objection, remarking meeting probably would be for sole purpose of hearing Graham on report. Muniz said he would fit in meeting next week on Kashmir if report appeared in time and no objection from SC members.

AUSTIN

357.AB/10-1551 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

TOP SECRET PRIORITY

NEW YORK, October 15, 1951.

471. From Gross to Hickerson. Re Kashmir. Graham and I had long and I hope definitive discussion Sunday¹ evening regarding his report.² I had refrained up to this point from pressing him in any direction but rather had acceded to his obvious desire that I be a sounding board for his ideas as well as a confidant. Yesterday I felt time was ripe for me to stress latter role and accordingly I told him frankly that whereas up to now I had been attempting to give him a balanced, somewhat neutral reaction to his evolving ideas, I was prepared if he desired to make affirmative recommendations.

He expressed eagerness for me to do so and accordingly I emphasized advantages in his not requesting widening of his authority at present time, expanding Dept ideas set forth in Deptel 200, October 12. After lengthy discussion he agreed.

He stressed advantages of retaining flexibility in his own future informal approaches to both parties. He plans to give his report to UN Secretariat today, asking Secretariat to hold it in confidence until he has had opportunity to give it to both parties prior to its public release. He also agreed to SC meeting this week at which he would outline history of his efforts on subcontinent.

He will go to Paris and expects to have informal discussion with Zafrullah and Rau at which time he will place before them his new points. He will determine his future actions and recommendations on basis of their reactions to his informal proposals.

¹ October 14.

² For the text of Dr. Graham's report to the Security Council, dated October 15, 1951, see U.N. document S/2375.

We discussed possible alternative future courses. I expressed the view that he possesses sufficient authority under March 30 res to make suggestions to parties of sort he has in mind and although he has some doubt he appears satisfied.

We agreed that if either party raised questions of his competence to make new suggestions he could at any time request SC for requisite additional authority since he will be in Paris and SC could be quickly convened.

Re problem of period for which his authority would be extended. I suggested SC might fix six weeks for submission further report, without setting time limit on his mission. [Gross.]

AUSTIN

791.13/10-1751 : Telegram

The Chargé in India (Steere) to the Secretary of State

CONFIDENTIAL

NEW DELHI, October 17, 1951—7 p. m.

1382. Assassination Liaquat Ali ¹ discussed informally today with Bajpai who said news had shocked and saddened GOI leaders many whom knew him well and deeply respected him as man and leader Pakistan. Bajpai thought tenor official condolences from India and Indian press reaction clearly reflected India's sense loss, and said, in his opinion, this event wld have sobering effect India-Pakistan relations.

Bajpai who had just heard Nazimuddin's resignation as Dir Gen and designation as PriMin and Defense Min, characterized him as man of moderation and great experience whom he thought had good chance maintaining control situation in Pakistan. Bajpai thought Nazimuddin even more opposed than Liaquat to policy of adventure or war over Kashmir; Nazimuddin likely as Bengali to link East and West Pakistan more closely.

Rptd info Karachi 78.

STEERE

¹ The Prime Minister was assassinated on October 16 in Rawalpindi, Pakistan. For related documentation, see pp. 2203 ff.

690D.91/10-1851 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET

NEW DELHI, October 18, 1951—6 p. m.

1395. During call Bajpai today his request I commented on editorials critical Graham report *Indian News Chronicle* and *Hindustan*

Standard (both Delhi). Bajpai replied two editorials no way reflected GOI views or influence. He had taken occasion inform editors two major papers (*Hindustan Times* and *Statesman*) that MEA regarded present time inauspicious for any criticism Graham report and that he hoped both papers might refrain from such comment.

Bajpai added, for my info he thought chances successful negots Indo-Pak agreement Kashmir now boiled down to "how many troops should remain on either side cease-fire line". He had insisted that GOI must back up statement readiness hold plebiscite with evidence of readiness such plebiscite take place free from any possible duress from presence Ind troops. GOI prepared reduce peak nr. troops Kashmir by approx 80 percent to 16 battalions totaling 10,800 men and to concentrate these forces at strategic border points where possibility infiltration hostile forces must be guarded against. Eventually, GOI prepared further reduce forces to—say—12 battalions. These, GOI convinced, mil experts would agree absolute minimum necessary guard against possible re-incursions Kashmir. GOI also convinced that with provisions for UN supervision plebiscite, above measures would eliminate any reasonable doubt undue influence presence troops on voters during plebiscite.

Bajpai again commented on Graham's patience, understanding and integrity and his satisfaction at Graham's indication his belief negotiated understanding might still be achieved.

STEERE

690D.91/10-1851 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET PRIORITY

NEW YORK, October 18, 1951—6:50 p. m.

496. Re Kashmir. Fowler (UK) after SC mtg today told us preliminary Foreign Office reaction to Graham's report is that suggested period of six weeks within which he would file further report would be most unfortunate. They anticipate SC action about mid-Nov on new res. Six weeks from then would land Graham's new report in middle of Indian elections. They would prefer longer period.

Fowler said Foreign Office and UKDel had not had time to think about report and did not expect to have instructions or even preliminary views prior to UKDel's sailing for Paris on Oct 23. He suggested we consult on next steps and draft res when we meet in Paris.

Dept please relay to GADel, Paris.

AUSTIN

357.AB/10-1951 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

TOP SECRET PRIORITY NEW YORK, October 19, 1951—6:47 p. m.

507. Re Kashmir. Liaquat's assassination, we believe, emphasizes need for consideration of action on Graham report when SC reconvenes in Paris, on October 29. Graham plans to be in Paris October 28. Parties will presumably speak at October 29 mtg and SC can meet later in week to consider res. Thus beginning of SC debate would precede convening constituent assembly and would take place while constituent assembly is in session. SC members can make clear that any decisions by constituent assembly will have no effect on disposition of state.

As to res, while it is obviously premature to predict its most suitable form, two practical alternatives should be discussed with Graham. One is based on his recommendations. The other is outlined below. His views would be major factor in decision. If he agrees, he or we might propose course to UK, which would if agreeable consult key council members and parties in effort to work out draft res which could command widespread support now and also lay foundation for whatever future action becomes necessary.

Alternative res might include following elements :

1. Note Graham's report.
2. Recall GOI and GOP acceptance of UNCIP resolutions of 13 August 1948 and 5 January 1949.
3. Note with approval assurances of two govts on Graham's first four points, listing them; call upon govts along lines of Graham's first recommendation; and declare SC will not recognize constituent assembly action.
4. Observe, on basis of Graham's report, that area of disagreement between parties in regard to demilitarization has been narrowed to specific points, which could be listed along with areas of agreement.
5. Instruct Graham to continue his efforts to effect demilitarization (possibly adding: and to place before GOI and GOP suggestions likely to contribute to enduring solution of this problem.)
6. Instruct Graham to report to SC as he may consider necessary, submitting conclusions and any recommendations.

We see following advantages in res along these lines :

(a) It holds parties to UNCIP commitments, mtg Pakistan public opinion problem.

(b) It lists areas of disagreement and agreement on demilitarization, giving Graham solid foundation on which to proceed while at same time not calling on parties to carry out his plan in detail; which we agree would risk an outright rejection and consequent freezing of situation.

(c) Paras 2 and 3, together with timing of meeting, help blanket expected action by constituent assembly.

(d) Bracketed suggestion in para 5 specifically adds substance of Dixon's powers to Graham's present terms of reference so that he can, if he considers it desirable, enlarge discussion with parties beyond narrow issue of demilitarization. We realize problem of anticipated Pakistani reaction against this. However, we think it may be more productive in long run to give Graham this added flexibility now instead of in subsequent res if he feels it would be useful. It seems to us that possible disadvantage of two-step res procedure suggested in Deptel 200 is that it might be construed as public registration of failure of demilitarization effort. Moreover, we think addition of this phrase does not necessarily indicate SC approval of conditions other than state-wide plebiscite, especially since proposed res specifically reaffirms plebiscite principle.

(e) It gives Graham free hand in determining his own pace of work and desirability or otherwise of interim reports, thus taking advantage of considerations that GOI position may be more flexible after Indian elections at end of year and that Graham can probably work better away from glare of SC debates, whether in Paris or on sub-continent. Changed circumstances since Liaquat's death, we think, may provide adequate reason for SC to give Graham slightly different terms than those he suggested in report written before assassination.

We would be glad to have Dept's views on above suggestion. The key to the problem is of course Graham's own reactions.

Dept please relay GADel Paris.

AUSTIN

690D.91/10-1951 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

NEW YORK, October 19, 1951—8:17 p. m.

510. Re Kashmir. Graham appeared at office this afternoon and had talk with Gross. Maffitt was present.

1. Re possible swing through subcontinent before next SC Kashmir meeting, Graham opposed, unless invited by GOI and GOP. He did not want to appear to be pushing himself, he thought it suicidal to place himself in position of appearing to seek delay in SC action, and he would cause damage if he returned with nothing to show from trip, whether of base-touching or substantive nature, which could not have failed to arouse considerable speculation at its outset, he would rather have early action by SC which would explicitly extend his term of office and perhaps suggestion he return to capitals if this would serve useful purpose. He had no doubt personally of his authority to talk with parties now, but in view of Rau and Bokhari

hesitation when in presence SC President Muniz yesterday he asked them how matters could now be advanced through his efforts, he wanted for political reasons that SC extend his term.

2. On basis his not making subcontinent swing, Graham thought he would go Washington Oct 22, thereafter attend to certain family affairs at home, and then fly to Paris in time to be there by evening Oct 28. He agreed that there might be SC meeting possibly to hear parties on 29th and another meeting Nov 1 or 2 in order Council make clear its position re Kashmir constituent assembly, already set forth in preamble to March 30 resolution. Graham felt it most important that Pakistan "get headlines" immediately after constituent assembly in order pacify restive spirits. Graham felt greatest danger spot for World War III today is subcontinent. He apparently believes that Pakistanis are near end of patience and moderate influences in Pakistan must be strengthened by all means, including speedy SC attention to case and above-mentioned headlines on constituent assembly.

3. In Graham's opinion solution of Kashmir problem requires settlement of but three more points:

(a) Number of troops on Indian side of line (GOI has officially agreed to 16,000 and privately has reduced this to 14,000 including Indian as well militia and state troops; Graham believes number must not exceed 6,000;

(b) Period for completion of demilitarization (Pakistan will reluctantly take 120 days, but shorter time preferable);

(c) Date of formal appointment of plebiscite administrator, whose broad powers will be tower of strength in carrying out final settlement through plebiscite.

Regarding (a) Graham discussed his closely held secret, use of UN forces, saying he had observed Pakistanis concern over number of Indian troops on Indian side of line was more on ground of their potential ability to intimidate plebiscite voters than of fear of aggression from Indian side. He had endeavored to reassure them on this point.

4. Regarding six-week period recommended in Graham's report, he defended use of specific time on ground that failure to fix time limit might cause disastrous explosion in already impatient Pakistan. SC might prefer period extending beyond Indian elections.

5. Graham said with his report issued he no longer feels need of publicly maintaining aloofness from all governmental contact. He planned to call at Dept Monday.¹

Dept pass GADel Paris.

AUSTIN

¹ October 22.

690D.91/10-2251 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

PRIORITY

NEW YORK, October 22, 1951—6:39 p. m.

515. Re Kashmir. Coulson¹ (UK) requested interview with Gross today to express UKDel's reservations about scheduled Paris Security Council meeting on October 29. He said they would like delay so as to allow time for consultations and advance agreement if possible on new res. Fowler (UK) had talked to Bokhari (Pakistan) this morning and had found no particular sense of urgency for meeting that soon. Bokhari suggested early part of next week could usefully be spent in Paris consultations. Coulson said UK had no present intention of consulting with Indians but might raise question of timing of Security Council action in New Delhi. He assumed Indians would not be anxious to meet.

Gross said we had thought early mtg necessary from Pakistanis' point of view; if they did not want it we of course would not press. He said Graham planned to be in Paris 28th and wondered whether he should put him off. Coulson said it would be useful if Graham could be there for consultations with Fowler, Ross, Hyde² and possibly parties. Jebb and Coulson could go to Paris on 29th or whenever thereafter need arose. Security Council might begin discussion later in week.

UKDel still feels it would be preferable if res could be agreed before parties spoke so as to avoid freezing their position. Gross pointed out Indians would presumably attempt to appear conciliatory at this time in any case. We agreed this question might be left for decision after consultation between US and parties. To our suggestion about need for blanketing Constituent Assembly, Coulson said UK saw little profit in denouncing it without taking other action at same time. He thought position of Security Council was clear and further agitation might simply irritate Indians without producing further results.

On Graham's suggestion that UN rep be instructed to report back to Security Council in six weeks, Coulson said they did not feel six

¹ John Eltringham Coulson, Deputy U.K. Representative to the United Nations.

² James N. Hyde, Adviser to the U.S. Mission to the United Nations; Member of the U.S. Delegation to the 6th session of the U.N. General Assembly, Paris, 1951.

weeks was sufficient time to complete job, and repeated Fowler's previous remark that six weeks would be unfortunate time in any case since it would bring report back to Security Council just before Indian elections.

Gross explained Graham's view that definite time period should be stated so as to show Pakistanis' Council was not letting matter slide. He also explained Graham would plan to continue if task was not completed within this time, and that Graham had selected six weeks period arbitrarily and would probably accept longer period if Security Council desired.

We suggested UK might want to talk to Graham through Embassy in Washington. Coulson said he would suggest this possibility but if Graham was to be in Paris 28th and meeting was postponed from 29th there would seem to be sufficient time for talks there.

He assumed Foreign Office and State Dept would be concerting policy while dels were at sea.

After Gross left for appointment, Bolte³ inquired what were UK views on new res. Coulson said he was without instructions but assumed res should extend Graham's term of office, commend substance of Graham's proposals to parties (as requested by Bokhari) and urge him to continue efforts to achieve demilitarization along these lines. Bolte raised on personal basis suggestion that in changed circumstances since Liaquat's assassination, and considering that Graham had apparently won confidence of parties to considerable degree, now might be time for Security Council to broaden his terms of reference along lines of authorizing him to place before parties suggestions likely to contribute to enduring solution of problem. He said res should reiterate principle of over-all plebiscite and demilitarization as first step, but broader terms of reference would give Graham opportunity if he saw fit to go beyond bounds of narrow demilitarization functions in effort to reach agreement. Coulson said this might be fruitful approach so long as Graham did not attempt to get into settlement of all outstanding problems between India and Pakistan. He said he would think and talk with his colleagues about this idea.

Department please relay GADel, Paris.

AUSTIN

³ Charles G. Bolte, Adviser, U.S. Mission to the United Nations; Member of the U.S. Delegation to the 6th session of the U.N. General Assembly, Paris, 1951.

690D.91/10-2651

*Memorandum by Mr. Vincent Baker of the Office of United Nations
Political and Security Affairs, of a Conversation Held on Octo-
ber 23, 1951*

TOP SECRET

[WASHINGTON,] October 26, 1951.

Subject: Kashmir

Participants: UN Representative for India and Pakistan: Dr. Frank
Graham

UNA: Mr. Hickerson

SOA: Mr. Weil, Mr. Collins

UNP: Mr. Stein, Mr. Meyers, Mr. Ludlow,¹ Mr. Baker

Introductory Remarks

Dr. Graham opened the discussion by emphasizing the need for playing up the importance of a Kashmir settlement. He considered it especially necessary to do so for the effect such an emphasis would have in Pakistan. He had considered filing a dramatic report to achieve this effect but decided such a report would end his mediation efforts, and that sometimes more boldness was required to proceed slowly and wisely than to file an apparently bold report. He decided that his report could not please the Pakistanis unless it said they were lily white and it could not please the Indians unless it called the Pakistanis aggressors. He thought his report as submitted would probably displease the Pakistanis by its avoidance of any condemnation of India, but that they would be pleased that he did not recommend partition. He believed that if the agreements under the UNCIP resolutions were thrown aside, India would merely assert its sovereignty and the possibility of peaceful settlement would be ended. The Pakistanis would be quite alarmed if the broader powers granted to Sir Owen Dixon were given to him at this time.

Estimate of Nehru's Attitude

To Mr. Weil's inquiry as to the apparent sincerity of Nehru's arguments against demilitarization proposals, Dr. Graham replied that at one stage it appeared that Mr. Nehru genuinely wanted a settlement, but after a visit of Nehru to Kashmir and conferences with Abdullah there the Indian attitude seemed to stiffen a bit. At one point, Graham had come to Nehru's home for dinner as the guest of the family, and for three hours after dinner he had conferred with Nehru alone. Graham did not mention terms of settlement or specific issues on this occasion but confined his remarks to a purely personal appeal during

¹James M. Ludlow, Foreign Affairs Officer, Office of United Nations Political and Security Affairs.

which Graham poured out his heart to Nehru on India's opportunities for Asian and world leadership. Graham later confirmed his statements with a private paper to Nehru to avoid any subsequent misunderstandings. The remarks and paper were such that Graham would not object to their publication in Times Square or Pakistan. In all official negotiations on terms of settlement the Indians and Pakistanis had been equally represented.

Effect of Indian Elections

Mr. Weil raised the question of the effect of the coming Indian elections and Mr. Stein pointed out that a six weeks mediation period beginning November 1 would end in the midst of the campaign. Dr. Graham replied that some believed no progress could be achieved until after the election, but remarked that if Nehru should win on the basis of promises to hold Kashmir it was doubtful he could change his course of action afterward. Mr. Stein suggested India might be firmer after the elections. Dr. Graham said Nehru might then say he had made a promise to the people.

Effect of Assassination

Mr. Collins asked for Dr. Graham's estimate of the effect of Liaquat's assassination on the situation. Dr. Graham replied that he had thought it might be considerable until it was found that the Kashmir issue was not the cause of the assassination. He believes Nazimuddin will follow policies similar to those of Liaquat. His main concern now was that immediate differences between India and Pakistan could connect with centuries old differences and touch off a conflagration. Mr. Meyers inquired what procedures seemed most feasible in the near future in view of this danger. Dr. Graham said it seemed reasonable to try further negotiation and mediation followed by a report and recommendations. Returning to the subcontinent would be dramatic but dangerous.

Publicity

Mr. Stein asked what aid the United States could give to Dr. Graham at this stage. Dr. Graham replied that he wanted the help from the United States to be undirected by the UN Representative. He had disabused the parties of the idea that he was a US-UK stooge and did not want to give them grounds for thinking otherwise. One form of action undertaken informally, however, would be of the greatest value. Editorials in leading newspapers should precede the opening meeting of the Security Council in Paris and should comment favorably on the personal part of Dr. Graham's report bearing down on the potentialities that a peaceful settlement hold for India and the world. Such editorial comment would be printed all over India. When

a mediator presents a report he inevitably disappoints some people; Dr. Graham accordingly considers that he needs new strength in the form of such support if he is to continue his efforts successfully. The editorials should appeal for an approach based not on 19th century sovereignty and nationalism but on 20th century statesmanship. Such editorial support should be broadly representative without a party focus. The following papers might specifically be included: *New York Times*, *New York Herald Tribune*, *Christian Science Monitor*, *St. Louis Post Dispatch*, *Norfolk Pilot*, *Richmond Times Dispatch*, *Portland Oregonian*, *Louisville Courier Journal*, *Atlanta Constitution*, *Atlanta Journal*, *Chicago Daily News*, *New York Evening Post*, *Washington Post*, *Manchester Guardian*, and papers in Minneapolis, Des Moines, Baltimore etc. . . . Commentators and columnists such as Stokes, Childs and Kaltenborn might likewise point up the importance of the issue and the value of a settlement.

Mr. Collins asked if the United States could take any action to produce an atmosphere conducive to Dr. Graham's success in Paris, raising the possibility of representations by the Secretary of State to the parties. Dr. Graham replied that independence was a source of his strength. If word reached one of the parties that an idea put forward by the Council or the United States came from Graham and he were asked about it, he could not deny it. He repeated that a wider realization of the importance of the issue would be helpful; that a war between India and Pakistan could in his opinion create a power vacuum that would enable Russia to take over all of Asia and involve the United States in World War III. Further, people in Asia think we push the case aside as unimportant because it does not involve the West, that in our opinion just 400,000,000 colored people make no difference, and that the UN is concerned primarily with problems of interest to the West. The Kashmir is far more important than the Iranian case but has received less attention because it is not so dramatic.

Status of Graham's Twelve Proposals

Dr. Graham added that it might be useful if the United States could get any information from Minister Steere in New Delhi as to how far the Government of India could go in compromising on demilitarization. Dr. Graham had been privately informed that India could accept a limitation of troops on the Indian side of the cease fire line to 14,000. The latest figure publicly announced was 16,000. Dr. Graham does not believe the Pakistanis would accept the figure of 14,000 and thinks India should reduce the figure further. He believes, however, Pakistan would be making a mistake to stand for equality of troops if such a stand would delay the appointment of

the plebiscite administrator. With the arrival of the administrator the situation would be completely changed because of the broad powers granted to him. If the Pakistanis quibble and fail to get an administrator they will fail to get Kashmir.

Dr. Graham emphasized that he considered the pinning of responsibility directly upon India in the appointment of the administrator to be the key point of his proposals. The language that India should "cause the plebiscite Administrator to be formally appointed to office" was carefully planned.

Dr. Graham remarked that he was convinced his twelve points represented a sound basis for negotiation and that each was aimed at a target. That Pakistan should make a no-war declaration would satisfy an Indian allegation of danger of an attack by the Government of Pakistan. Pakistan would accept it in the context of a broader agreement, but like a no-strike declaration in a labor dispute it would have to be accompanied by certain other agreements. The ban on war propaganda was likewise aimed at satisfying an Indian complaint. The re-affirmation of the plebiscite was designed to satisfy Pakistan's apprehensions concerning the Constituent Assembly. Similarly, the other points were not created in a vacuum.

Dr. Graham mentioned that he had a private paper from Bajpai transmitted through Marin saying the points that India had not commented upon were acceptable. Dr. Graham noted that the Government of India had not commented on the arbitration point in his proposal.

At present agreement was lacking on only two more points: (1) the number of troops and (2) the fixing of the date on which India would cause the plebiscite administrator to be inducted.

UN Troops Proposal

Dr. Graham had in mind another proposal that he had withheld from the parties thus far lest it be attacked on procedural grounds. He would like to see 4,000 United Nations troops stationed in Azad Kashmir. Tribesmen could not get by them: the Pakistan army would no longer constitute a threat to India in that area; the Azad forces would not be a threat. India's three main arguments would be undercut. Pakistan might say the proposal was not fair and that UN troops should be placed on the Indian side as well, but India had already rejected an offer of troops and claims sovereignty in the area. Graham could answer that India does not have *de facto* sovereignty in Azad Kashmir at present if India should object to troops on the Pakistan side of the cease fire line. Dr. Graham said Gross had suggested that UN troops be offered to both sides simultaneously in the interest of fairness and because rejection by India and acceptance by Pakistan could only redound to the credit of the latter. Dr. Graham thought

well of the suggestion but preferred to try to induce India to accept the troops on condition that Pakistan did so, and then to get Pakistan acceptance.

A bold proposal of that sort could not be advanced by the mediator, however, unless it had the support of the world. This bold proposal might be timely since Liaquat's last comment to Graham was "Your mission is the last—I have held my people in check three years and can do so no longer if you are unsuccessful." The mission did make progress largely because it took the considerable risk of not getting mixed up in the three issues of constituent assembly, cease fire violations, and troop movements which threatened war even while the mission was on the subcontinent. Graham reached the decision that war would not actually break out while the mission was present, and that to give the parties an opportunity to blow off steam a while on these side issues might make them more ready to talk seriously on demilitarization issues.

New Resolution

Mr. Collins asked Dr. Graham if he needed a Security Council resolution or whether the prestige of a resolution should be held in reserve. Dr. Graham replied that he needed a definite expression. Mr. Hickerson remarked that sometimes a letter from the President of the Security Council had served the purpose of a resolution. Dr. Graham stated that a new resolution would not have to abrogate the March 30 resolution and that the Council could if necessary come back to the arbitration clause in that resolution. Further, a new resolution should not give him any broader terms of reference. The Council must make it clear that acts of the constituent assembly would have no effect.

It was asked whether a resolution mentioning the constituent assembly now might weaken the effect of a later resolution. Dr. Graham said the resolution could be softened to terms that would take note of the promises of India that the assembly action would have no effect.

Mr. Meyers asked what step might follow the six weeks period of negotiation and the writing of the report and recommendations to the Security Council. Mr. Collins asked if it would strengthen Graham's hand in the negotiations if he were able to say in advance that if agreement was not reached by the parties he would be backed by the Security Council in specific recommendations as to terms of settlement. Dr. Graham remarked that it was a good point but that under those conditions the Pakistanis might just sit and wait during the negotiations. Moreover, the Indians might say that they had rejected arbitration and now Graham was setting himself up as an arbitrator. A decision as to the step that would follow would depend on cir-

cumstances. He did not put a recommendation of the use of UN armed forces in his recommendations this time because of procedural objections that could be raised. It had been his experience that when people cannot meet a proposal on its merits they attack its procedural aspects, and on those grounds he thought he would have been wide open to attack. A mediator cannot spring new proposals on the parties.

Mr. Collins then asked if it would be helpful for him to be able to say that if agreement was not reached he would feel impelled to recommend that the Security Council pass a resolution embodying his proposals. Dr. Graham replied that it would be better for the Council to ask the UN Representative to make recommendations, and incorporate these recommendations in a subsequent resolution. If handled this way Dr. Graham thought his recommendations as mediator would not be subject to criticism as having the character of an arbitral award because they would not be binding on either the Council or the parties.

Mr. Meyers asked whether it would be useful to have a resolution saying that the UN Representative should make a report and recommendations. Dr. Graham said such a resolution would give him great strength, and that it might say something to the effect that at the end of two months the UN Representative should report to the Security Council with recommendations. He mentioned that he had just done that under his present terms of reference.

Return to Subcontinent

Mr. Hickerson raised the question of Dr. Graham's return to the subcontinent. Dr. Graham stated that President Truman had asked him to accept another post but that, on the basis of Dr. Graham's estimate of the importance of following through the Kashmir case, the President had said it seemed more desirable at present for him to continue work on that problem. Dr. Graham accordingly would be available to return if necessary, but thought it would be a mistake to do so unless he received word in Paris that there was some likelihood of achieving a substantial effect. He could say no more to Nehru than he had already said in the paper confirming the personal appeal, and to retrace steps without progress would appear to close the issue and increase the danger of war.

Mr. Weil asked for Dr. Graham's reaction to the proposal that he touch base in the subcontinent en route to the Paris meetings of the Security Council. Dr. Graham stated his belief that it would be a mistake to go back without formal Security Council action.

Mr. Weil interpreted the consensus as being that Dr. Graham should wait until all possibilities had been exhausted in Paris and he had a package to place in Nehru's hands or an indication from the Government of India that his presence would be useful.

Dr. Graham said to return without such a new indication would be dramatic but might merely dramatize failure. There was dynamite as well as drama in running back to the subcontinent.

Mr. Meyers added comments on the difficulty of getting Nehru's attention during his seven weeks' election tour except under the conditions mentioned.

Schedule of Action

The question of the scheduling of a Security Council meeting was raised. Dr. Graham emphasized that he did not want to be a party to any delaying action, but had no objection to a postponement of a few days in the Paris meeting if the parties were themselves in agreement as to its advisability.

Reaction to Report

Dr. Graham raised the question of the reactions to his report and personal statement to the Security Council saying Rau had thanked him and said it was a magnificent statement and that one Pakistan delegate had told him it was the greatest statement ever made to the Security Council. Dr. Graham thought that it had been as well received as could be expected but that the filing of any report causes disappointments. Accordingly he felt the need of assistance in the form of newspaper support to restore his strength before undertaking new negotiations.

357.AB/10-2451 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

TOP SECRET

KARACHI, October 24, 1951—8 p. m.

435. After two conversations today with Zafrullah and one between him and Mohammed Ali I have reason to believe Paks favor second alternative res on Kashmir ref Intel October 22.¹ Their feeling wld be that second alternative includes in points one and two recommendations in Graham's report and that point three goes beyond it in a way satis to Pak. Shld point four be included in a SC resolution Zafrullah wld be obliged to review the history of the dispute already so well documented in Graham's report, but advance the contention that from Pak point of view, India has not moved beyond its posit of March 1949. Shld Zafrullah take such an attitude it might well close the door that has been left ajar by Graham negots. For that reason I recommend that the inclusion of point four will serve no useful purpose.

¹The unnumbered information telegram referred to here, sent to both New Delhi and Karachi, on October 22, contained a summary of telegram 507 from New York, October 19, p. 1885 (copy in New Delhi Embassy Files, Lot 58 F 95, Box 50).

The Paks wld also accept point five but without the time limit suggested by Graham in his third recommendation. They favor his continuance of mediation but I believe wld prefer speedy and continuous action to reach an agreement on demilitarization to a specific time limit. They certainly wld be in favor of giving Graham a free hand in determining his pace work and to take advantage of the possibility of India's position becoming more flexible.

This presentation which represents only Zafrullah's and Mohammed Ali's thinking, but which I consider authoritative, for other members of Cabinet who have not been consulted wld be expected to go along, does not mean that Paks will acquiesce in a postponed consideration of the Graham report. They wld like to see the earliest possible SC action, but I believe wld accept a SC res along the lines of this discussion.

WARREN

357.AB/10-2551

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] October 25, 1951.

Subject: Kashmir: Possible Discussions During General Assembly Meeting in Paris

Discussion

On October 15 Dr. Frank P. Graham, the United Nations Representative for India and Pakistan submitted to the Security Council a report on the progress of his negotiations as provided for under his terms of reference contained in the Security Council Resolution of March 30, 1951. Dr. Graham's efforts were directed toward achieving a demilitarization of the State of Jammu and Kashmir. In his report Dr. Graham outlined twelve proposals concerning demilitarization which he submitted to the Governments of India and Pakistan as well as the replies to both Governments. As a result of his negotiations with the parties and the replies which they gave to his proposals Dr. Graham concludes that "the possibility of arriving at a basis of agreement by the two Governments is not excluded". He further recommended that "if the Security Council decides that a renewed effort to obtain an agreement should be made . . . such negotiations should be carried out at the seat of the Security Council and the Council should instruct the United Nations Representative to report

to the Council within six weeks".* After Dr. Graham's presentation to the Security Council on October 18 of his oral views the Council decided to resume hearings on the Kashmir case following its reconvening in Paris.

The assassination of the Pakistan Prime Minister, Liaquat Ali Khan, in Rawalpindi on October 16, the day after Dr. Graham submitted his report to the Security Council has created profound shock in both countries with Prime Minister Nehru calling for renewed effort to plan Indo-Pakistan relations on a new basis. Immediate reaction to the Graham Report in Pakistan has been somewhat unfavorable in view of the feeling on the part of the Pakistanis that some censure should have been leveled against India for what Pakistan considers to be its intransigence. In addition the death of Liaquat Ali Khan in the minds of many Pakistanis is linked to the delay in the settlement of the Kashmir dispute. Reaction in India has been confined mostly to objective reporting of the proposals outlined by Dr. Graham with some slight criticisms. The Government of India has discouraged criticism of the Graham Report by the Indian press on the grounds that the time was inauspicious. On balance, it might be said that Indian reaction was as good as could be expected.

It should be mentioned that Dr. Graham has not assessed blame to either side for delays in the settlement of this issue but has seized upon the areas of agreement which exist and has attempted to bridge the existing differences between the parties. We believe the report is an excellent one and that if the Security Council, as we hope, requests Dr. Graham to continue his mediation in Paris there is some prospect of agreement. We are convinced that the best approach is for Dr. Graham to continue his efforts. Dr. Graham has made a good impression on both Indian and Pakistan officials and in particular appears to be *persona grata* with Prime Minister Nehru.

There is a danger that with attention drawn on so many subjects of concern to the General Assembly, not sufficient attention will be given to the Security Council and Dr. Graham's efforts with respect to the Kashmir case. A position paper outlining the Department's views will be forwarded to Paris for the guidance of the US Representative on the Security Council.

*Chapter 5 Recommendations, Page 37, "Report of Dr. Frank P. Graham United Nations Representative for India and Pakistan to the Security Council" S/2375. [Footnote in the source text.]

Recommendation

It is recommended that Dr. Graham be fully supported in his efforts at Paris to bring about an agreement between India and Pakistan on the Kashmir dispute.

Concurrence: UNA

320/10-2551 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET

WASHINGTON, October 25, 1951—7:12 p. m.

Gadel 7. Re Kashmir. Dept after considering views Embs Delhi Karachi London and USUN (NY 507 Oct 19) favors at present res consisting following elements:

1. Note Graham report and his personal statement.
2. Note Indian assurance re Consembly and reaffirm previous SC position.
3. Instr UN Rep continue mediatory activities under terms ref SC Res Mar 30.
4. Direct UN Rep submit report to SC containing specific recommendations as to future action, not later than 2 months from date res and earlier at his convenience.

WEBB

690D.91/11-551 : Telegram

*The Acting Secretary of State to the Embassy in India*¹

CONFIDENTIAL

WASHINGTON, November 5, 1951—6:35 p. m.

947. AP desp New Delhi Nov 3 qtes Nehru as welcoming further exploration by Graham demilitarization Kashmir and stating Graham "went a long way toward success" on question demilitarization. "We stand by our commitments to SC. Let us have a plebiscite and be done with it."

Does Emb believe: *a*) Above represents GOI shift Kashmir policy to COOP with UN efforts; *b*) Graham's efforts further mediation might be more productive on subcontinent than Paris; *c*) Nehru now of opinion plebiscite wld result Indian victory?

WEBB

¹ Repeated to Paris as Gadel 65 and Karachi as 446.

CFM Files : Lot M-88

*Paper Prepared in the Bureau of Near Eastern, South Asian, and
African Affairs*¹

CONFIDENTIAL

[WASHINGTON, November 6, 1951.]

NEGOTIATING PAPER FOR STEERING GROUP FOR POSSIBLE US-UK TALKS
IN NOVEMBER

PROBLEM

Continued coordination of US-UK efforts in the United Nations to bring about a settlement of the Kashmir dispute.

US OBJECTIVE

The US objective is the solution of this dispute in order to increase prospects for stability in the area. In the achievement of this objective the US will continue to support UK initiative.

PROBABLE POSITIONS OF OTHER COUNTRIES

Members of the Security Council, with the exception of the USSR have thus far fully supported the resolutions sponsored by US and UK in the case and eight members spoke in favor of the resolution of March 30, 1951 under which Dr. Graham has worked. There are indications of increasing interest and concern among the Commonwealth countries. Foreign Minister Casey of Australia indicated late in October that he had discussed the Kashmir question in both Karachi and New Delhi on his visit to those capitals. During the summer Canada, Australia, and New Zealand, as did the US and the UK, issued appeals to the governments of India and Pakistan at the high point of tension caused by troop movements along the borders. Governments of Asian countries, including Indonesia, Burma, and Iran, have manifested interest in the Kashmir case, and have indicated their recognition of the dangers inherent in the continuation of the dispute.

POSITION TO BE PRESENTED

The UK has in the past exercised leadership with close UK-US cooperation and a joint sponsorship of resolutions. It has been agreed

¹ A covering memorandum by Mr. George Denney, Secretary of the Steering Group on Possible U.S.-U.K. Talks in November, indicated that this paper was drafted by Mr. Frank D. Collins of the Office of South Asian Affairs, and was approved at the working level in the Departments of State and Defense. The Foreign Ministers of the United States, the United Kingdom, and France met in Paris and Rome, November 2-30, but there is no record that the Kashmir dispute was formally discussed. In the records of the meetings the paper was designated as document NOV D-5/1b.

that there be similar co-sponsorship of a resolution to be submitted to the Security Council at an early date instructing Dr. Graham to continue mediatory efforts and to report his views to the Security Council within a fixed period.

The following points should be raised :

a) Does the Conservative Government contemplate any change in the UK approach to the Kashmir problem?

b) Are the UK and Commonwealth countries prepared to use pressures or inducements through or in aid of the United Nations in its efforts to secure Indian cooperation?

c) It is too early to formulate a definitive position on lines of action to be adopted in the event that Dr. Graham's mediatory efforts fail. However, UK-US discussions of this problem have been held at the working level during recent months, and the Department believes it essential that these discussions continue. Are the British prepared to continue these discussions?

DISCUSSION

Pakistan has been pressing for a Security Council Resolution which would at a minimum recommend a solution to the parties based on the Graham proposals. We may anticipate considerable pressure from Pakistan along these lines. If India should refuse the Security Council's recommendations the danger of hostilities would undoubtedly increase and a crisis of serious proportions might well result. On the other hand, unless the Council takes forthright action to recommend a settlement Pakistan may abandon hope of a settlement through the efforts of the United Nations and may take the matter into its own hands. Continuing negotiations by another United Nations Representative would likely be unacceptable to Pakistan. Viewed from the standpoint of the United Nations a comparable dilemma is presented. If the Council makes decisive recommendations as to terms of settlement unsupported by enforcement action, their rejection by India may reduce the Council's prestige and future effectiveness in the dispute. If, on the other hand, the Council by indecisive action leads the parties to lose confidence in its capabilities, the blow to its prestige and effectiveness may be equally damaging.

In considering possible lines of SC action following Dr. Graham's next report, the US and the UK will, of course, wish to take into account the contents of this report as well as political factors prevailing at the time of the submission of the report.

357.AB/11-651 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET PRIORITY

PARIS, November 6, 1951—11 p. m.

Delga 78. Subject Kashmir. Further Delga 63,¹ Gross showed draft res to Graham who expressed unqualified approval of it. He felt draft had been worked out on the basis of the views of the parties with particular care for Pakistani sensibilities and this he felt was the proper approach. He stressed that view of two govts should be embodied into draft and also suggested that parties shld have 48 hours notice of its contents before SC mtg. He agreed with Gross that this shld be more a matter of courtesy than to open the door to drafting changes.

Graham had seen Nehru's statement referred to in Gadel 69² and agrees with Dept's view that last clause in para 3³ of draft res is sufficient re Constituent Assembly in light of that statement. He was reserved on what its true significance may be.

In Graham's opinion under para 6 he can express his views fully and wld do so at once if he saw breakdown of negots and issue of war. He understands that the report referred to in para 6 might or might not be a financial one.

On basis of Graham's views and restiveness of parties for early SC mtg, Gross recommends Dept clearance so draft can be given parties during course of Wed 7 Nov with SC mtg not later than Sat 10 Nov.

ACHESON

¹ Delga 63, from Paris, November 6, not printed, transmitted a draft resolution virtually identical to that approved on November 10, with the exception of the last paragraph (numbered paragraph 6), which in Delga 63 read "The SC . . . instructs the UNRep to make a report to the SC not later than six weeks after this res comes into effect." (357.AB/11-651) This paragraph was replaced by numbered paragraph 4 in the final resolution, which added a clause allowing Graham to include in his report "his views concerning the problems confided to him." Details concerning this change, which the Department saw as a means of giving Graham authority to recommend a future course of action, which in turn would give him bargaining power during continued mediation, are in telegram Gadel 89, to Paris, November 7, not printed.

² Gadel 69, to Paris, November 5, referred to the reported statement on the subject of Kashmir by Prime Minister Nehru at a press conference of November 3, in which he welcomed Graham's continuing mediation efforts. The telegram stated that the Department was therefore prepared to omit mention of the Kashmir Constituent Assembly in the Security Council resolution, provided the United Kingdom and the United States made brief references in their speeches reiterating the earlier Security Council position. (357.AB/11-551) A transcript of Nehru's remarks of November 3 is contained in Despatch 981 from New Delhi, November 5 (690D.91/11-551). In telegram 1641, from New Delhi, November 6, Ambassador Bowles viewed Nehru's remarks as conciliatory and helpful and as affording a definite basis for a further attempt by Dr. Graham to achieve demilitarization and ultimate settlement of the Kashmir issue (791.13/11-651).

³ Same as numbered paragraph 1 of the Security Council resolution approved November 10, p. 1904.

690D.91/11-751 : Telegram

The Ambassador in India (Bowles)¹ to the Secretary of State

CONFIDENTIAL

NEW DELHI, November 7, 1951—6 p. m.

1660. Deptel 947 Nov 6 crossed Embtel 1641, Nov 6² in which Emb expressed view Nehru's remarks re Kashmir were conciliatory, helpful and afford basis for further Graham effort to achieve demilitarization and ultimate settlement.

Fol are Emb views re questions propounded Depreftel:

(a) We feel Nehru's remarks do not necessarily reflect shift GOI pol but rather some evolution that pol. Nehru wld be first to deny GOI uncooperative with US or blocking settlement. We interpret Nehru's remarks to mean he desires early settlement and is willing continue explore means either through SC (with further effort being made by Graham) or through direct discussions with Pak, though he made it clear any direct negotiations cld not overlap with impending SC meeting. But as we interpret Nehru's remarks, he still insists all Pak troops and most, if not all, local forces wld have to be withdrawn from Kashmir or disbanded as case may be before demilitarization cld be accomplished. If foregoing steps were taken and in GOI and Kashmir Govt cld be assured there wld be no further invasion, Nehru intimated GOI might be prepared withdraw all Ind troops. However, Nehru made it clear demilitarization only one step in reaching final settlement, declaring after that "first major step" settled, "others cld be tackled". Thus as we read his remarks, Nehru is encouraging further exploration Kashmir issue, either through Graham or directly. We do not perceive he has receded substantially from his original position but rather that he is now prepared move ahead at some points where GOI has held back.

(b) Nehru stated plainly, in reply to a question, he wld give Graham all help possible in exploration further possibilities settlement. We have no reason doubt *bona fides* this statement. As we view situ from here, we believe any resolution empowering Graham continue efforts shld be so broadly drawn as to permit his return sub-continent; further, we consider Graham shld not be restricted by inclusion definite time limit, since climate here in Jan may be more conducive settlement than now.

(c) Nehru is clearly of view plebiscite, as he envisages it, wld go as Ind desires, indeed, he stated this plainly in course remarks to Press Nov. 3. This confidence probably predicated on GOI feeling Abdullah's consolidation or power, popularity, and ability to control electorate now such as to insure vote in favor of Ind.

Rptd info Paris 16 for GADel, Karachi 89.

BOWLES

¹ Chester Bowles was appointed Ambassador to India and Nepal on October 10.

² Not printed.

*Resolution Adopted by the United Nations Security Council*¹

[NEW YORK,] November 10, 1951.

The Security Council

Having received and noted the report of Dr. Frank Graham, the United Nations Representative for India and Pakistan, on his mission initiated by the Security Council resolution of 30 March 1951, and having heard Dr. Graham's address to the Council on 18 October,

Noting with approval the basis for a programme of demilitarization which could be carried out in conformity with the previous undertakings of the parties, put forward by the United Nations Representative in his communication of 7 September 1951 to the Prime Ministers of India and Pakistan,

1. *Notes* with gratification the declared agreement of the two parties to those parts of Dr. Graham's proposals which reaffirm their determination to work for a peaceful settlement, their will to observe the cease-fire agreement and their acceptance of the principle that the accession of the State of Jammu and Kashmir should be determined by a free and impartial plebiscite under the auspices of the United Nations;

2. *Instructs* the United Nations Representative to continue his efforts to obtain agreement of the parties on a plan for effecting the demilitarization of the State of Jammu and Kashmir;

3. *Calls upon* the parties to co-operate with the United Nations Representative to the fullest degree in his efforts to resolve the outstanding points of difference between them;

4. *Instructs* the United Nations Representative to report to the Security Council on his efforts, together with his views concerning the problems confided to him, not later than six weeks after this resolution comes into effect.

¹ U.N. document S/2390 was approved at the 566th meeting of the Security Council, November 10, 1951, by 9 votes to none, with India and the USSR abstaining. For the record of the meeting, see U.N. document S/PV. 539.

690D.91/11-1651 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

CONFIDENTIAL

NEW DELHI, November 16, 1951—7 p. m.

1770. Have just completed calls on all Chiefs of Mission, and in the course of each conversation I asked for an opinion on who wld win honest and uninfluenced plebiscite in Kashmir. Each without exception stated that India wld win; margins varied from three to two to four to one. Many of these mission chiefs or their staffs visited

Kashmir recently. Amer press here, several of whom have recently visited Kashmir, also agree with this analysis.

Emb estimates are more modest as to margin but no disagreement over likelihood that India wld win under conditions likely to prevail.

Much of India's improved position undoubtedly due to Sheik Abdullah's land and tax reforms which have won much support among peasants.

BOWLES

Secretary's Memoranda : Lot 53D444

Memorandum of Conversation, by the Ambassador at Large (Jessup)

CONFIDENTIAL

PARIS, November 20, 1951.

Subject: Kashmir

Participants: Dr. Frank Graham
The Secretary

Dr. Graham spoke to the Secretary at the close of the Committee I session this morning and suggested to him the desirability that he get hold of Sir B. N. Rau now and ask Sir B. N. to give consideration to two points:

- (1) With respect to the 16 Indian battalions, what guarantees would the Indian Government require in order to reduce that number?
- (2) Would the Indian Government agree to set a date when a plebiscite administrator could take over?

I understand the Secretary expressed no definite opinion to Dr. Graham in regard to the desirability of this matter.

(I consulted Ambassador Gross and Mr. Hyde both of whom expressed the following views. This approach to the Secretary is at variance with Dr. Graham's general position which has been that he did not want to be in such close touch with the U.S. Delegation that the Indians would feel he was acting under U.S. Government instructions. If the Secretary spoke to Sir B. N. Rau now about these two points which are the main points over which Graham is struggling, Sir B. N. would undoubtedly think that the Secretary was acting on Graham's behalf. The outcome would not be helpful to Graham or to the position of the United States.)

(On being informed of these views, the Secretary expressed his concurrence and said he would not attempt to see Sir B. N. Rau.)

PHILIP C. JESSUP

690D.91/11-2751

Memorandum by the Deputy Director of the Office of South Asian Affairs (Weil)

SECRET

[WASHINGTON,] November 27, 1951.

MEMORANDUM FOR THE FILES

Subject: Proposed Corporation for Development of Kashmir's Economic Resources.

Reference is made to Mr. Pawley's memorandum of September 24, 1951, in which was discussed the possibility of forming a corporation through which the US, the UK, India, Pakistan, and the World Bank would cooperate in an effort to develop the mineral resources, hydro-electric power and other economic assets of Kashmir with a view to reducing tension between India and Pakistan and paving the way for a settlement of the Kashmir dispute.

SOA continues to believe that as long as there is any prospect of a political settlement of the Kashmir dispute through the efforts of the UN, our Government and that of the UK should concentrate their energies officially on supporting the UN and on doing everything possible through diplomatic channels to establish a basis for settlement. Thus the plan for economic development of Kashmir under UN auspices formulated in SOA in June is being held in reserve as a possible last resort in the event of Dr. Graham's failure in his current effort at mediation. Both SOA officers, including the author, and UK officials, with whom this plan has been discussed informally, have serious doubts as to whether such a plan would work—even though it would combine economic development and the presence in Kashmir of a UN observer whose job it would be to protect the interests of India and Pakistan in Kashmir during a "cooling-off period."

We have approved on an informal basis Mr. Eugene Black's efforts to sound out Mr. Nehru and the late Prime Minister of Pakistan, Liaquat Ali Khan, on the subject of an Indus Valley Authority organized along the lines proposed by Mr. Lilienthal some months ago. If the World Bank can interest the two governments in such a project, a step in the direction of Indo-Pakistan cooperation may be achieved, but there is still no evidence to support the theory that this would take the place of a political settlement. The present government in Pakistan may well stand or fall on the success of the UN in holding a plebiscite in Kashmir; and the dispute has become a major issue in Indian politics.

Nevertheless, the time limit placed on Dr. Graham's mediation by the Security Council's resolution of November 10 necessitates reconsideration of plans which might be proposed in the unhappy event

that Dr. Graham fails to bring about agreement on demilitarization in preparation for a plebiscite. In the light of current developments I offer the following comment on the reference memorandum :

1. If mineral resources exist in the Indian-occupied portion of Kashmir which are capable of exploitation, and the presence of these resources influences Mr. Nehru to hold on to the Indian-occupied area at any cost, is it likely that the Indian Government would be willing to share profits of such exploitation with the US, the UK, and Pakistan?

In view of the fact that the state is disputed territory, India and Pakistan would presumably be entitled to share equally the proceeds of exploitation in either the Indian-controlled or Pakistan-controlled portion of the state. So long as the political status of the territory remains unsettled, it is difficult to see how either the Indian or the Pakistan Government could justify to its people payment to the other government of proceeds from exploitation of lands fought for and held by its troops.

2. Would it be politically feasible for the Pakistan and Indian Governments to commit funds for the development of the state as a whole?

Since each government accuses the other of being the aggressor in Kashmir, it is difficult to believe that either would dare appropriate funds part of which, at least, would presumably be used for the benefit of areas occupied by troops of the other country.

3. Would the governments of India or Pakistan, or the people of Kashmir, welcome an Anglo-American plan to exploit such resources as Kashmir may possess?

In view of widespread fear of "American economic imperialism," and of "Anglo-American" perfidy in general—effectively encouraged by Communist propaganda—the question arises as to whether the benefits of the project under reference would outweigh the disadvantages deriving from suspicion and fear which would be created, and stimulated by both Communist and nationalist elements. Virtually the only effective means of counteracting such fears would be to demonstrate almost immediately that the scheme was raising the standard of living in Kashmir, and that the profits were not all flowing into the pockets of US and British bankers. It is not likely that the mining of sulphur which Dr. D. N. Wadia¹ has said would "cost its weight in gold" by the time it reached India, or the construction of hydro-electric units, would have any immediate effect on the living standards of the poverty-stricken Kashmiris; and both the Indian and Pakistan Governments would probably be widely accused of having turned the resources of Kashmir over to Wall Street and London capitalists.

4. Would a corporation formed by the World Bank with the participation of Indian and Pakistan capital, but not of US or UK capital, be able to create conditions which would make India and Pakistan forget their political and military struggle for control of Kashmir?

While such an arrangement might reduce suspicions of Anglo-American "economic imperialism," it would probably face the ob-

¹ Mineral Adviser, Government of India.

stacles referred to in (1) and (2) above; and if the World Bank were willing to finance the program wholly, without the direct participation of the Indian or Pakistan Governments, the question still arises as to how the operation of mines or the construction of hydroelectric plants in Kashmir would benefit either the people of India or the people of Pakistan sufficiently to remove the political passions which the dispute has generated. On the contrary, if a corporation financed by the World Bank succeeded in exploiting resources in the Indian-held portion of Kashmir, Pakistan's insistence on an equitable settlement of the dispute would probably be intensified, and India's determination to hold the territory it now occupies would be proportionately increased. By the same token, successful exploitation in the Pakistan-held area would whet India's appetite for annexing the whole state, and concurrently strengthen Pakistan's determination to hold the territory it now controls.

In view of the fact that NEA has been working on possible solutions of the Kashmir dispute for four years, and the fact that other governments and the UN have tried without success to find the answer, I wish I could summon more optimism regarding the practical possibilities of the plan discussed in the reference memorandum. One of our chief concerns regarding the plan drawn up in SOA in June (UNDOAK) has been the question of financing economic development in Kashmir during a "cooling-off period" (to which we believe it would be difficult to obtain agreement). The suggestion of World Bank financing of economic development in Kashmir is one which may be kept in mind, and may prove useful if we reach the conclusion that all possibilities for a political settlement have been exhausted. On the other hand, Indian representatives in the World Bank might object to the use of World Bank funds on the ground that portions of the funds would be used in the Pakistan-occupied part of the state, and Pakistan representatives might object on the ground that they would be used in Indian-occupied territory.

SOA is currently re-examining its various plans for future action in Kashmir and expects to renew informal discussions with the British within ten days.

690D.91/11-2951 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

SECRET

NEW DELHI, November 29, 1951—7 p. m.

1911. Although Emb realizes Graham demil talks with Ind and Pak in Paris will not terminate for another 3 weeks, Emb wld appreciate indication how Dept anticipates Kashmir question will be handled thereafter.

As Emb now sees it, Ind will probably be unable make final commitment re Kashmir until conclusions Ind's gen elections in Jan because of effect decision may have on vote. Meanwhile however, Emb believes Ind will continue fol more conciliatory line re Indo-Pak relations which developed fol Liaquat's death. Even in Kashmir there has been little provocative action by Consembly. Latter recently adjourned, possibly until next spring. Foregoing seems add up to more amenable Ind attitude re Kashmir.

If foregoing sit continues prevail and providing Graham talks have favorable result Emb hopes way will be found continue present method negot, at least until after Ind elections.

Informal discssion with UKHC officials indicate they have similar views.

Sent Dept 1911, rptd Paris Gadel 37, London 62, Karachi 95.

BOWLES

690D.91/11-3051: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, November 30, 1951—3 p. m.

575. Emb desires comment as fols on Delhi tel 1911, Nov 29, 1951 to Dept rptd info Karachi 95:

a. We concur in statement that India can do nothing constructive until elections are over. This mainly for polit reasons.

b. We question India's sincerity in implying publicly that its attitude toward Pak will be more conciliatory. We agree that India sincerely wishes a settlement which involves no armed conflict.

c. With exception Sheikh Abdullah's speech on occasion of opening of the Kashmir Consembly, we agree that there has been little provocative action by the CA. The adjournment of CA until next spring can be taken as indication that India does not want CA to be provocative body during next few months.

d. The GOP realizes that India will resist taking positive action toward settlement of Kashmir controversy until after their pending elections. Pak has gone along with six weeks extension Dr. Graham's efforts, but its patience probably will not extend to delays beyond that time, while awaiting India's pleasure. In this event, we believe Pak may make strong appeals to SC, or failing that, take some more direct action. Even though GOP realizes that elections in India will be factor, pressure of public opinion may force GOP to refuse accept any further procrastination.

Dept pass London sent Dept 575 rptd info London 38, Delhi 59. Dept pass Defense and GADel Paris.

WARREN

690D.91/12-151 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

SECRET

NEW DELHI, December 1, 1951—6 p. m.

1940. Bajpai volunteered info to Steere yesterday that GOI, in response to indication from Graham that he thought India shld make reduction in forces 28,000 men (including armor) which India considered necessary be kept in Kashmir, had instructed Rau to indicate GOI wld give up armored support and reduce forces to 21,000. GOI hoped this wld enable further progress Paris discussions and be accepted as evidence India's desire facilitate agreement. He then referred PriMin's recent indication that complete withdrawal Indian armed forces was possible once conditions permitted. He mentioned "90 days" rather vaguely in this connection with implication it depended upon Pak attitude.

Bajpai said he cld not venture forecast whether Graham wld succeed in time allotted him but he thought it not impossible. Said plebiscite questions shld offer no great difficulty once demilitarization agreed. He referred to difficulty carrying on such discussion in Paris when decisions by govts all had to be taken this end.

Rptd info Paris Gadel 40.

BOWLES

690D.91/12-451 : Telegram

*The Acting Secretary of State to the Embassy in India*¹

CONFIDENTIAL

WASHINGTON, December 4, 1951—6:11 p. m.

1113. Re Kashmir. Dept appreciates views expressed Embtel 1911 Nov 29. (Rptd Karachi as 95, Paris Gadel as 37, London as 62). In event Graham has not succeeded by Dec 22—due date his report²—we believe if parties either tacitly or openly indicate a willingness for him continue and SC does not specifically terminate his services he cld continue his negots. Dept plans at working level confer immed future with UK re possible courses action in event Graham's present efforts unsuccessful.

WEBB

¹ Repeated to Karachi as telegram 520, to Paris as Gadel 336, and to London as 2778.

² The U.N. Representative for India and Pakistan transmitted his second report to the Security Council on December 18, 1951 (U.N. document S/2448).

690D.91/12-651 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, December 6, 1951—2 p. m.

2624. Deptel 1113 Dec 4 to New Delhi, rptd Karachi 520, Paris Gadel 336, London 2778.

Current FonOff thinking is in accord with that expressed reftel. Nevertheless if Graham reports Dec 22 he has not succeeded in his mission, even though there is acquiescence by both sides in continuance his present capacity, it will be incumbent on US-UK have ready any res (1) placing onus for failure on India but so carefully worded as not to force its open defiance SC, and (2) sufficiently strongly worded as to encourage Pak to agree to continuance of Graham in his permanent capacity until after Indian elections.

FonOff problem is to sell this idea to CRO which "has to live with India".

Emb hopes report more fully this subj next few days.

Rptd info New Delhi 56, Karachi 49, Paris 1209.

GIFFORD

320/12-1051 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

PRIORITY

PARIS, December 10, 1951—10 p. m.

Delga 601. Re Kashmir. Graham called at his request on Gross with Hyde present to discuss substance of his report and tactics in presenting it. He has got the issue narrowed down to the question of the number of troops to remain at the end of the demilitarization period and the date of appointment of plebiscite administrator, but he finds little tendency on the part of Indians to agree to any reasonable proposition. He has asked Rau if India wld accept 600 or 800 UN observers and alternatively whether India wld accept UN forces in Kashmir. (He has not suggested they might be used in Azad-Kashmir area.) If neither of these suggestions is agreeable he has asked Rau to make a counter-suggestion. The current Indian figures on troops as he gets them from Rau are 28,000 men, including state forces, and 6,000 militia.

In addition to this Devers has had exploratory conversations on the military level with Indian generals and has suggested a series of stages, the first of which is more favorable to India than the basic resolutions wld provide. However, the Indians have not been encouraging on this. Graham and Devers are waiting for concrete answers to

their suggestions and figures on the number of troops which they expect to have this week.

Rau's general approach is that the Indian elections make a final settlement difficult at this time. Ayub¹ feels that Pakistan needs a simple formula or some encouragement in the report from Graham to avoid a blow up. Pakistan feels that this is a bad time for a show-down with India, especially since the UK wld not get tough on the eve of Indian elections and, therefore, Graham feels that Pakistan wld agree to some simple formula that wld keep the door open until after elections.

In the light of the above analysis and the expectation of Graham that he will get nothing helpful from the Indians on the question of the number of troops they insist on keeping in the state, and considering that the Pakistanis need something for domestic political purposes on or about the due date of his report, Graham is thinking of tactics along the fol lines :

He wld draft a report that contains a long analysis of the background of the case that will not recite the suggestions that have been made and refused by India. Then, on the theory that the report shld contain something positive, he wld state simply (1) that in his opinion the forces remaining after demilitarization shld be as small as possible and (2) the plebiscite administrator shld be appointed not later than at the end of the demilitarization period. He wld add that on this point his opinion is contrary to the Indian view.

His theory is that this report wld let the operation suspend for a month during the Indian elections, wld give the Pakistanis something to hold public opinion and while it wld not satisfy them they wld swallow it. Graham feels that he shld not make concrete recommendations now and Gross agreed that the case shld not be permitted to crystallize at this stage. The effect of the report wld be to give the SC time to get by the Indian elections and late in Jan mediation operations again commence. Graham wants to hold the case in a negotiating situation, but he feels he must meet the deadline of Dec 22 and the Pakistanis wld object to any appreciable delay in his report. Also, he is sensitive to causing such delay on a second occasion. Graham added that this was the result of much earnest consideration by him. Ayub has told him that any delay in his report wld give great comfort to extremists in Pakistan and at the same time wld be just what the Indians want.

If these tactics were followed Gross suggested that Graham after the elections wld probably want to go again to the subcontinent although Graham stated that the Indians had not suggested this. It was agreed that there is no point in his doing so until after the elections. While a report along the lines projected might weaken Graham's position to some extent, it wld be a natural consequence of it for him to return to the subcontinent.

¹ Mohammad Ayub, Ambassador of Pakistan in France.

Graham then suggested possibility of including in his report or in some covering statement an appeal to the parties to move this case along as a concrete way of showing by deeds that they believe in disarmament. He also suggested pointing to the relationship of any Korean settlement to the Kashmir case as showing that two pending security issues can be settled by UN processes.

Gross felt that these broad questions shld be kept for later on and not used in a report which Graham intends as a holding operation.

Gross commented that it seemed clear that Pakistan wld not request or agree to any substantial delay in his report and that therefore it shld be filed as planned.

AUSTIN

357.AB/12-1251

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Kennedy)

SECRET

[WASHINGTON,] December 12, 1951.

Subject: Kashmir

Participants: Mr. Richard G. Casey, Australian Minister for External Affairs

Mr. C. T. Moodie, Counselor, Australian Embassy

Mr. Shullaw—BNA ¹

Mr. Kennedy—SOA

Mr. Casey, Minister for External Affairs, Australia, came to my office to discuss Kashmir in accordance with an appointment made by the Australian Embassy. In the course of a general discussion the following points emerged.

1. Mr. Casey said that Prime Minister Nehru had told him that the January elections in India would prevent him from making any concessions on Kashmir at the present time. Anything he did to "appease" Pakistan would undoubtedly lose him dozens of seats in Parliament. Mr. Casey had asked Prime Minister Nazimuddin of Pakistan what the Pakistan reaction would be if there were further delay because of the Indian elections and the latter replied that the world would have to be prepared for a lot of "shouting" about this, but in the end that Pakistan would take the delay.

2. In response to my query, Mr. Casey said he thought the UK would be prepared to take a strong line on future steps to resolve the Kashmir dispute. It had been his observation that Mountbatten was the only one left in London who favored India.

3. Mr. Casey said that he had asked Churchill ² if the latter had any new ideas as to settlement of the Kashmir dispute and that the

¹ J. Harold Shullaw of the Office of British Commonwealth and Northern European Affairs.

² Winston S. Churchill, British Prime Minister, First Lord of the Treasury, and Minister of National Defence.

latter had replied that he did not. Mr. Casey had then suggested that there be a high-level approach to the parties, meaning by this that there should be personal appeals by Prime Minister Churchill and President Truman. Churchill replied that this was worth considering and that he would talk to the President about it when he came to America. Mr. Casey said that on the occasion of his appointment with the President during his current stay in Washington, he had mentioned this and the President had replied that he would be glad to discuss Kashmir with Churchill.

4. Mr. Casey expressed no disagreement with Graham's continuing his efforts to reach agreement re demilitarization but expressed some surprise that Graham seemingly was not going to go to the sub-continent before making his report on December 22. Although he did not specifically say so, it was evident that Mr. Casey did not have much optimism as to the prospects for success arising out of Graham's efforts.

5. Mountbatten³ had said in a private conversation with Mr. Casey that the latter's suggestion that Churchill and the President intervene was the worst possible one to make. Nehru personally disliked the President and had no love for Churchill.

6. Mr. Casey did not express any particular interest in providing UN troops to replace those presently in Kashmir. This seemed to be merely one way of attempting a solution. I indicated our concern that such a proposal might interfere in some respect with the broadest possible UN support in Korea.

7. In a long conversation with Nazimuddin the latter told Mr. Casey that Pakistan had a lot of troops that would be available for assistance in the defense of the area once the Kashmir dispute was settled; until that time not a corporal would be provided.

³ Lord Mountbatten had been Viceroy of India, March–August 1947 and Governor General of the Dominion of India, August 1947–June 1948. Since 1950 he was Lord Commissioner of the British Admiralty, Fourth Sea Lord, and Chief of Supplies and Transport.

320/12–1351 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET PRIORITY

WASHINGTON, December 12, 1951—7 p. m.

Gadel 432. Subject Kashmir. Re Delga 601 December 10; 436 November 30¹ and London's 2624 repeated Paris as 1209 December 6.

1. Following are Department's views re future action Kashmir question which should be conveyed to Dr. Graham for comment. Until

¹ Delga 436, from Paris, November 30, reported in part that Graham had informed the U.S. Delegation to the General Assembly that his talks with representatives of India and Pakistan in Paris were progressing slowly on two points: 1) the number of troops to remain in Kashmir at the end of the demilitarization period and 2) the date on which India was to assure the appointment of the Plebiscite Administrator. Graham considered Indian demands for the number of troops to be left in Kashmir to be excessively high. (320/11–3051)

Department has been advised his views, Department suggests USDel and London not discuss with British colleagues. (a) In event Dr. Graham unable obtain agreement by end 6 weeks period Department strongly believes he must continue negotiations probably on subcontinent; (b) In view GOP attitude indicated Delga 601 Department believes Dr. Graham should make written report to SC by December 22 deadline. Department doubts advisability lengthy report as such might encourage parties make intemperate statements and precipitate SC debate. Therefore, suggests brief factual account his current efforts including possibly points one and two mentioned paragraph 5 Delga 601 together with statement his view further negotiations will reduce two points of difference. How, when and extent of indicating his intentions return subcontinent up to Dr. Graham; (c) SC action on December 22 report should be avoided as merely likely harden Indian position with concurrent lessening possibility of further effective negotiations by Dr. Graham. Accordingly, Department presumes Dr. Graham will wish have understanding with Zafrullah this point through assurance he will have further views to indicate per paragraph 4 November 10 resolution after conclusion negotiations on subcontinent which we believe should be short duration; (d) either prior to going subcontinent or upon arrival Dr. Graham might suggest both parties that withdrawal token forces from area during month January would be indication their good faith and possible easing tension. Dr. Graham and General Devers should go to subcontinent early part January for talks with Nazimuddin, and with Nehru either before or immediately after Indian elections, in manifested hope gaining necessary approval demilitarization plans. In this connection final polling in Indian elections occurs January 23.

2. Re Graham's suggestion that 6 to 800 military observers be sent to Kashmir as alternative to neutral troops, Department believes this figure probably unobtainable particularly on short notice. However, if General Devers indicates his belief Pentagon ought attempt produce necessary U.S. contingents, Department will press for such, providing Dr. Graham still believes it desirable. Only present limiting consideration from U.S. is statutory ceiling of 1000 placed on U.S. military personnel assignable to U.N. Department believes further discussions should be discouraged re possibility making U.N. forces available for service in Kashmir. No U.N. troops are available or will be available from Korea and U.N. members are presently being pressed for additional troops for Korea.

3. If Dr. Graham decides return to subcontinent and desires services Aycock,² Department will press University North Carolina release him for month January.

² William B. Aycock, Professor of Law, University of North Carolina; Personal Assistant to the U.N. Representative for India and Pakistan.

4. Re current Indian figure 28,000 Indian troops plus 6,000 militia (see paragraph 1 Delga 601) Department notes Bajpai informed Steere on December 1 (New Delhi's 1940 repeated Paris as Gadel 40 December 1) Government of India had instructed Rau indicate it would give up armored support and reduce forces to 21,000.

WEBB

357.AB/12-1351 : Telegram

The Chargé in the United Kingdom (Gifford) to the Secretary of State

SECRET PRIORITY

LONDON, December 13, 1951—7 p. m.

2730. Subject Kashmir. In meeting Dec 12, CRO concurred FonOff view that until elections over in India it will be impossible get any substantial concessions from GOI. Therefore some way must be found bridge gap between Graham's report and end of January when elections over. Impossible in circumstances avoid SC res which critical of India and which contains recommendations for concrete action.

UK wld favor res containing recommendations to both parties and asking them consider fully and thereafter report back to SC, perhaps within given time limit. This view of course dependent on whether Graham report lends itself to such treatment; it shld not, for example, be too condemnatory of India.

Tel along above lines will probably be sent Paris tomorrow.

Rptd info priority Paris 1266, New Delhi 57, Karachi 50.

GIFFORD

691.90D/12-1451

Memorandum by the Director of the Office of British Commonwealth and Northern European Affairs (Raynor) to the Assistant Secretary of State for European Affairs (Perkins)

SECRET

[WASHINGTON,] December 14, 1951.

Subject: Call of Australian Foreign Minister, Mr. Richard G. Casey, on the President, December 11, 1951

During the course of his call on the President, the Australian Foreign Minister, Mr. Casey, stated that he had told Mr. Churchill during his visit to London that if Dr. Graham's efforts failed to produce a solution to the Kashmir question, joint action by Mr. Churchill and the President might offer the only prospect of resolving this problem. The President said that he would be pleased to discuss the matter with Mr. Churchill.

Mr. Casey also referred briefly to Australian concern with respect to Indonesian claims to Netherlands New Guinea.

320/12-1651 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Secretary of State

SECRET PRIORITY

PARIS, December 16, 1951—4 p. m.

Delga 697. Re Kashmir: In light of Gadel 432 of Dec 12, Gross had conversation with Graham and Devers, Hyde present. In course of two hours fol conclusions were reached:

1. Graham will not now commit himself to return to subcontinent and reiterated that this shld be "matter of depending on future developments". He wld not at this time commit himself to continue in case but on Gross insistence agreed to keep open mind. Graham feels his future usefulness depends on attitude of parties toward him after filing of report.

Devers stated his personal commitments make return to subcontinent impossible; he feels he has done his part and if military man is needed wld suggest Gen Malony¹ whom he wld be willing to accompany to subcontinent, introducing him to Ayub and Cariappa. While Graham stated he felt his duty ends with filing report, Gross pointed out that Nov 10 resolution can properly be construed as continuing his services and Graham agreed to take no final decision.

2. On suggestion of token withdrawal of forces, Graham and Devers will put their heads together and consider this possibility. Devers was doubtful Indians wld agree, since Pak troops cld be returned in matter of hours but Indians in matter of days. However, Graham will consider raising this with Zafarullah entirely apart from his report.

3. Graham agreed that no res or other action by SC shld be taken at this time.

4. Graham and Devers stated that idea of large number of observers was put forward partly as a tactical move and it is not now under active consideration.

5. Idea of neutral troops has been rejected by India in a communication received by Graham on Dec 14. He and Devers feel that Pak wld probably reject idea of troops there without increasing neutral contingents in India. Therefore, this idea no longer is current.

6. As things stand now, Graham intends to insert in report two opinions stated in para five of Delga 601 and in addition as third point he plans to suggest July 15 as date of appointment PlebAd. As for the point and developing idea of small number of troops, he will suggest that part two of Aug 13, 1948, UNCIP res and para 4(a) and (b) of Jan 5, 1949 res are inter-related. He will also state that at every stage in demilitarization which is to be completed by July 15 there shld be a fair proportion of Indian and Pak troops in relation to each other and that proportion might well be arrived at by using figures at time of cease-fire.

Devers has worked out demilitarization plan in stages with precise number of troops at each stage and an over-all figure at end of demilitarization and upon appointment of PlebAd who, as Devers

¹ Gen. Harry James Malony, U.S.A. Ret.

understands his powers, can decrease or increase number of troops remaining throughout the state.

Indian statement which was recd on Dec 14 was consistent with Bajpai statement to Steere (New Delhi's 1940 to Dept of Dec 1) and referred to informal paper on numbers of troops which Devers had prepared for Indian military men. In the light of this fact, Devers plan on demilitarization, which is complete in every detail, leading to appointment of PlebAd on July 15 will be annexed to Graham report. Gross commented that this wld be most important document and Graham stated that this paper contains solution of case on theory of a plebiscite if it is at all possible to solve it.

7. Re SC tactics, Graham and Devers agreed with Gross that Graham might orally present his report in substance at SC mtg on or about Dec 19 without submitting it first for UN documentation. This might prevent leaks and report cld later be documented and circulated. This wld meet problem of Paks for some SC consideration before Xmas recess, but it was recognized this shld be discussed with UK in light of London's 2730 to Dept of Dec 13.

In discussing above points Graham felt he had completed his best efforts and that Devers' demilitarization plan is the key to any solution on our present theory.

Devers was very frank in urging that Nehru is key to problem; that Indian milit men wld agree with him on settlement if they were permitted to do so. He doubted that Graham cld do anything further with Nehru and while he personally cld not return to subcontinent, was skeptical of usefulness of Graham doing so. While Indians have reduced their figures on troops, they still deny the Paks the right to have any on their side. He feels appointment of PlebAd wld be creation of agent who might deal effectively with Nehru. However, he thinks Nehru does not desire plebiscite, because on analysis the powers of the PlebAd are so great that it wld infringe on sovereignty of state and be bitterly opposd by Abdullah. He has found Indian milit men most sympathetic and feels he cld have settled case with them if they were permitted to do so.

Graham's analysis is that Indian statements about desiring a plebiscite are conditioned on what he and Devers consider unreasonable fear that the withdrawal of troops if agreed in advance, not just for one stage but as part of an entire plan, might lead to communal rioting and slaughter. Therefore, the Indians have insisted on agreeing upon not more than one stage of demilitarization at a time. It is understandable with four years experience with Indian vagueness, feel this means nothing. Graham feels Rau is sincere in arguing this point of view but agrees with Devers that milit forces under Devers plan wld be sufficient to prevent serious communal disorders at every state. Devers added that Paks wld have same problem of refugees and security and yet Indians wld allow them no troops other than police force to cope with them.

We left discussion with understanding that, subj to views of Dept, we wld aim at SC mtg next week and we feel it likely UK will agree in light of Pak desire for some SC consideration before holidays.

In discussing recent statements of Zafrullah in GA with personal and official hostility to US position, Devers feels this reflects uncertainties in positions of Pak Govt and understands Zafrullah is most anxious to return to Karachi for consultations on Dec 21. Altho Indians have now agreed to eight of Graham's twelve points, Graham concluded that essence of disagreement remains.

ROOSEVELT

320/12-1751 : Telegram

The Secretary of State to the Embassy in France

SECRET PRIORITY WASHINGTON, December 17, 1951—6:39 p. m.

Gadel 488. Re Kashmir, re Delga 697, Dec 16. Dept believes SC mtg on or about Dec 19 undesirable unless Dr. Graham has determined not to return to sub-continent and to indicate in his Dec 22 report he believes his utility now ended. Even assuming Dr. Graham did not introduce six weeks report at mtg, effect of holding meeting this week is to assure prompt consideration Kashmir very early in Jan. Prospect continuation debate on Kashmir early Jan wld, in Dept's opinion, preclude Dr. Graham's returning to sub-continent. GOI wld not be likely to accede to Dr. Graham's suggestions early in Jan even if he went to sub-continent, and further SC debate pursuant Dec 19 mtg cld not be put off through time in Jan Dr. Graham was on sub-continent. Dept therefore urges USGadel indicate no SC meeting shld be held prior to Christmas vacation unless UK and GOP insistent. Dept's further comments re Delga 697 to follow.

ACHESON

320/12-1851 : Telegram

The Secretary of State to the Embassy in France

SECRET PRIORITY WASHINGTON, December 18, 1951—6:52 p. m.

Gadel 502. Re Kashmir. Further to Gadel 488. While Dept appreciates content Dec 22 report¹ must be determined by Graham and

¹ Graham's second report to the Security Council was actually presented on December 18 (S/2448). In the report he indicated that while some progress had been made toward enlarging the area of agreement between India and Pakistan, two principal points of difference remained: (1) the size of forces to be left on either side of the cease-fire line at the end of the demilitarization period and (2) the day on which the Government of India would agree to the formal appointment to office of the Plebiscite Administrator. With the approval of the Security Council given him on January 31, 1952, Graham returned to the subcontinent for a third series of negotiations in March.

based his estimate his further utility, believes USDel shld indicate to him Dept's hope he wld consider importance not presenting a report that wld force GOI into position of having comment publicly before elections on demilitarization plan which he and Devers have worked out. One way accomplish this is avoid SC action until after Xmas recess perhaps by indicating in Dec 22 report supplementary report likely in two or three weeks on recommendations per para 4 Nov 10 res Graham intends to make. Basis info available India cannot be expected depart from present public attitude on Kashmir until after elections if at all, and GOP recognizing this prepared put up with this situation.

If Graham eventually makes recommendations re demilitarization plan and SC adopts in form res, Dept presently of opinion Graham's further service might be needed to counsel parties re their acceptance.

ACHESON

320/12-1951 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Secretary of State

SECRET PRIORITY

PARIS, December 19, 1951—1 p. m.

Delga 728. Re Kashmir.

1. Gadel 488 of Dec 17. Plan of SC meeting has been abandoned in light (a) of UK opposition, (b) fact Ayub is not pressing and (c) Graham has his report in Secretariat hands today. According to Devers, Graham plans to stay in Fr from Christmas (report is silent on Graham's future status).

2. Further Delga 697 and Delga 692,¹ Ayub and Bokhari have urged that Zafrullah's attacks are not personal but substantive differences of opinion on Moroccan case. Ayub quotes Zafrullah as feeling that four years of cooperation with US and UK have been "wasted". However, all junior members of Pak del are trying to pass incident off as difference of opinion without elements of personal attack.

Devers, Dept please protect source, got from Ayub fact Zafrullah feels US as friend of submerged people may be veering toward UK and Fr colonial policy. Zafrullah is quoted as sensing this from conversation with Secretary re Morocco, and US GA plenary speech on Morocco brought these feelings to surface. Ayub has asked appointment for Zafrullah to see Gross before former's departure Karachi on 19 Dec.

¹ Delga 692, December 15, not printed, contained the partial text of a statement by Zafrulla Khan on the Moroccan case in the General Assembly on December 13 (320/12-1951).

3. Re substance of Kashmir case, Ayub feels essential to have res to SC before Paris session ends. However, he feels UK view of no debate until after Indian election involves too long postponement. He added Zafrullah is generally upset and not willing to consider tactical details.

ROOSEVELT

320/12-2051 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Secretary of State

SECRET PRIORITY

PARIS, December 20, 1951—2 p. m.

Delga 749. Re talk with Sir Zafrulla Khan. On initiative Zafrulla Khan, Gross had long conversation with him Dec 19 just prior to Zafrulla's departure for Pak. Zafrulla, in a deeply emotional vein, expressed regret that anything he had said in GA debate cld have been construed as personal attack upon Gross. In most contrite tone he said that far from having any such intention, the incident had "increased his affection" for Gross and he expounded at great length his respect, friendship, et cetera.

He then went at great length into matters, which will have to be reported separately, relating to his own personal position in the present Pak Govt arising particularly out of the frustration of Pak aspirations re Kashmir. In this connection he discussed in frankest terms Pak dissatisfaction with attitude and actions of Brit Govt.

[Here follows a discussion concerning Morocco.]

Our conversation concluded with renewed protestations by Zafrulla of his friendship, his last comment being, "If there is anything I have done which hurt you or which was wrong, tell me what penance I must make".

With mutual expressions of friendship and respect, he departed for home to face new difficulties.

ROOSEVELT

357.AB/12-2151 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET

WASHINGTON, December 21, 1951—3:57 p. m.

Gadel 528. Re Kashmir. Amb Warren, now Wash consultation, reports Pak PriMin told him in strict confidence GOP realized GOI cld not until after elections change attitude on nrs troops in Kashmir at end of demilitarization. GOP wld be willing agree to res which wld extend Graham's mediation "two or three months". PriMin said GOP hopes Nehru will be returned power, but doubtful he will have

overwhelming majority. In such situation elements India wishing settlement Kashmir wld have greater weight, and possibility for settlement then somewhat improved. GOP did not wish harass GOI during elections and believed Kashmir shld be soft pedaled until after they completed. (Incidentally Warren thinks Graham shld not return subcontinent before elections but continue his efforts Paris.)

Ghulam Mohammed, Gov Gen, later told Warren GOP might be prepared "make deal" involving partition of Kashmir with plebiscite certain areas, but that suggestion wld have come from GOI since otherwise Pak public wld believe GOP given up hope. Gov Gen said Deshmukh and Rajagopalachari among those who might be able exert their influence after elections favor of broad settlement Indo-Pak issues.

Gadel pass substance foregoing to Graham, and ur discretion to appropriate Brit. Dept convinced however that recurrence any talk by parties, US, UK, or other dels or by Dr. Graham re partition this time wld doubtless undo much if not all Graham's efforts re demilitarization. Therefore, GOP's position indicated above must be very closely held.

ACHESON

320/12-1951: Telegram

The Secretary of State to the Embassy in France

CONFIDENTIAL

WASHINGTON, December 22, 1951—2:06 p. m.

Gadel 540. Re Kashmir. Re Delga 728. As result discussion Dec 20 with Brit Emb based on UK FonOff tel Dec 17 to Brit Emb containing new views re handling case, Dept suggests fol as course of action handling Kashmir. If GOP insistent and cannot be dissuaded particularly by UKDel, SC meeting cld be held about Jan 15. Purpose of meeting wld be to hear oral statement Dr. Graham only. We wld hope understanding could be reached with GOP and GOI dels no statements from them at that meeting. Next meeting of SC might be arranged for about Jan 25 at which meeting parties wld make statements but resolution would not be tabled. At third meeting possibly week later, UK and US wld table resolution and speak. Tentatively Dept's views nature of resolution subject of course to substance of Graham's recommendations (not yet known to Dept are as fol:

1. Wld endorse agreed points of demilitarization program;
2. Wld note three remaining points of difference of demilitarization program. If Graham report makes recommendations concerning settlement of three remaining points SC might endorse recommendations and urge parties to accept and put demilitarization program into effect;

3. SC might urge parties, if they wished to take some other course of action leading to demilitarization, to enter into direct negots immediately for that purpose. Deadline for report on such negots might be indicated.

Dept suggested Brit Emb obtain views UKFonOff re Dr. Graham making quick trip subcontinent immediately after Indian elections, which over Jan 23, with view making last appeal to Nehru agree to his proposals. Success or failure of last minute appeal wld influence nature and strength SC res. Dept hopes Graham may agree idea making quick trip make appeal Nehru soon as wise after Ind elections. Believes no new res necessary for trip since our view Graham fully empowered under Mar 30 and Nov 10 res pursue efforts time and place he sees fit.

ACHESON

320/12-2451 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Jessup) to the Secretary of State

SECRET

PARIS, December 23, 1951—6 p. m.

Delga 802. Re Kashmir

1. Graham had decided not to annex Devers plan when approached in light of Gadel 502. He did not see his way to indicating his report as an interim one. However, he will be available for SC mtgs in Paris.

2. Issue has been raised by Ayub that ref in Indian reply to Devers plan which Indians claim to have accepted in large part renders it necessary that Devers plan itself be on the record and not a classified document. Fowler (UK) feels that Paks are entitled to have this and that they need UK-US assistance on point. He suggests Graham might be asked to reconsider his reported decision not to make statement in SC and in connection with statement or questions make public Devers report. Hyde expressed personal view to Fowler that Devers report shld be public because of Indian references to it.

3. Ayub urges early SC consideration of case in Jan even before Zafrullah's expected return sixth or seventh. In addition to stressing need for publication Devers report, he urged: (a) Graham shld be urged to make statement Jan 4. Comment: It wld be difficult to have SC dels consider merits so early after adjournment; (b) Paks wld like substantive res tabled about 15 Jan which wld call on parties to accept Graham plan; (c) Before Zafrullah speaks Paks want firm assurance re US-UK line so that they take position consistent with it; (d) They expect US and UK diplomatic pressure on Delhi; (e) They stress desirability of whole operation complete two weeks before SC

ends Paris sessions so that parties consent obtained and no action needed in New York.

4. Fowler reports UK position now firming up much along lines para three and he feels action cannot be delayed until Indian elections now not to be completed until 5 February. In gen UK feels Graham report contains principles which SC shld call on parties to accept, and then give two govts three months to work out details in bilateral talks (see London 2730 of Dec 13 to Dept). Fowler feels SC prestige and UK-US diplomatic reps shld be staked on this plan. Fowler is pressing for early SC mtg at least to hear Graham on Jan 3. We did not comment on substantive position but felt decision by Dept on it must be basis for decisions on all tactical and timetable questions.

5. Views of Dept requested on what position shld now be re release of Devers report and timetable for January.

JESSUP

690D.91/12-2351 : Telegram

The Chargé in Pakistan (Perkins) to the Secretary of State

SECRET

KARACHI, December 23, 1951—9 p. m.

644. In conversation with me today re second Graham report, FonMin Zafrulla gave it as his "personal opinion, without commitment" that Graham's recommendations on the wording of the four of his twelve proposals on which India and Pak had not agreed, wld in gen be acceptable to Pak provided number of armed forces to remain on each side of cease-fire line was specified not as "the lowest possible number" but as some definite total. He did not have authoritative figures on the number of troops on each side of the line on Jan 1, 1949, but he had been given estimates of about three Ind to two Pak, and if this were the approx proportion Pak wld not object to Graham's formula.

He thought Ind wld accept Jul 15, 1952 as date for complete demilitarization, but whether it wld agree to appoint a plebiscite administrator by that date was another question. Pak regards naming of admin on or before that date as absolutely vital.

Zafrulla said he did not think any useful purpose wld be served by again prolonging Graham's mediatory effort. He thought a point had now been reached from which further progress cld be made only if SC were to adopt a demilitarization program of its own and call upon the parties to implement it with the assistance of a UN rep.

With respect to the schedule for SC consideration of Graham's report. Zafrulla was noncommittal. He said he had discussed the subj in Paris with Gross and Eden, and had told latter that substance of any draft res which UK prepared wld be more important to Pak than

the speed with which it was handled. My impression is that while Pak may continue for the record to press for quick action, it will have no real objection to postponement of discussion until Ind elections are out of the way.

Zafrulla is leaving tomorrow for Lahore to see his family but will come back to Karachi before returning to Paris in early Jan. He has discussed Kashmir with the PriMin but there has as yet been no formal cab consideration of the question in the light of Graham's latest report.

Rptd information New Delhi 64, London 40, Paris 4 for USUN.

PERKINS

690D.91/12-2651 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

SECRET

NEW DELHI, December 26, 1951—4 p. m.

2224. Bajpai asked me see him 4 p. m. Dec 24; subj was Kashmir. He said it wld be serious mistake start discussion and debate in UN on Kashmir question as bitter statements wld inevitably be made and solution wld become more difficult. He stated his govt felt Graham had done far better job than previous negotiators and that he shld be given additional time secure agreement. I asked him specifically what he wld like have happen in UN as result of Graham's report.

Bajpai answered:

(1) Extend Graham's term to Mar 31. He stated time limit is essential as otherwise Pak may feel issue being deliberately stalled. However, Bajpai pointed out very little cld be accomplished until after elections which will tie Ind leaders up more or less completely during Jan, but that with sincere effort on part both sides (which sounded like a commitment as far as GOI concerned) it shld be possible iron out remaining points of difference by Mar 31.

(2) Extend Graham's term of reference as far as possible and specify he shld return to subcontinent where he can be in personal contact with Pak and Ind leaders.

(3) Tell Graham privately and confidentially he shld himself at proper time ask PriMins of India and Pak to meet with him for discussion of remaining differences. Bajpai said it was of course possible for two govts to deal directly but he thought this wld be looked upon as UN failure and that he and PriMin were extremely anxious that if agreement can be reached it be reached through efforts UN thereby giving new strength and prestige to this organization.

Sent Karachi 106, Paris 46.

BOWLES

320/12-2651 : Telegram

The Secretary of State to the Embassy in France

SECRET

WASHINGTON, December 26, 1951—8:03 p. m.

Gadel 553. Re Kashmir. As outlined Gadel 540 Dec 22, Dept has had in mind that substantive SC res when adopted wld, in view failure get agreement through mediation, contain recommendations re demilitarization and urge parties put them into effect. Such recommendations in Dept's view might embrace Graham 12 "proposals" including those four on which still no agreement plus Dever's demilitarization "plan" (which Dept has not seen) which we presume to be detailed development those Graham proposals which deal specifically with troop withdrawals. There might be some objection SC expressing views on all aspects of plan on grounds some too technical and shld be left to direct negots two parties, but thought has been SC res shld be rather detailed.

With this in mind, Dept believes desirable avoid placing GOI in position in which during electoral campaign it cld not avoid making public statements re Dever's plan from which it wld be subsequently difficult withdraw. There appears to be agreement all sides including UK that new decisions by GOI highly unlikely until main campaign effort ended and most votes cast. This connection refer Gadel 528 Dec 21 and Karachi Tel 644 to Dept repeated Paris 4 to USUN reporting views Nazimuddin and Zafrullah.

Ayub's urgings appear therefore not entirely consistent highest level GOP attitudes which according our info reveal greater concern substance SC res than with very early SC action. If Dever's plan placed before SC at early date we inclined believe likelihood GOI acceptance wld be reduced since it wld be more difficult GOI leaders publicly reject it for election purposes and then shortly thereafter accept it if incorporated in SC res. Dept in summary doubtful that agreement Ayub's timetable wld accrue Pak principal interest which we conceive is GOI agreement to plan of demilitarization which will bring eventual plebiscite much nearer. Dept wonders whether Ayub attaches any importance this analysis.

Re Fowler's comments we believe pressure for SC meeting by Pak not so strong that one shld be held Jan 3, and continue prefer handling outlined Gadel 540 Dec 22. Apparent discrepancy between Fowler's position and UK position outlined Gadel 540 Dec 22 mentioned to Belcher of Brit Emb Wash, who was frankly puzzled and promised query London.

ACHESON

320/12-2851 : Telegram

The Secretary of State to the Embassy in France

SECRET

WASHINGTON, December 28, 1951—8 p. m.

Gadel 559. Re Kashmir. Brit Emb has referred Pak interest publication Devers plan (re Delga 802) and reported word from Fowler that Pak Del wld be satisfied if Graham at early mtg SC wld discuss plan. Brit Emb has also mentioned that according info recd from Paris Sir B N Rau has said he interested in knowing why Graham abandoned a plan which GOI had all but accepted and that he might raise question in SC (which wld have effect opening up discussion Devers plan).

As pointed out Gadel 502 and Gadel 553 Dept has considered it undesirable stimulate open discussion Devers plan at such early date. Dept interested USDel's views re motives Pak and India in seeking bring plan into open.

ACHESON

690D.91/12-2951 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

SECRET

NEW DELHI, December 29, 1951—5 p. m.

2273. For Acheson. Ref Embtel 2224,¹ rptd Paris 46, Karachi 108. Bajpai called me his office this morning to ask me if I had any info on US stand in re SC action on Kashmir. I told him I had none and that in my opinion the willingness of my govt to agree continue Graham mission until March 31 depended on likelihood of success.

I asked Bajpai if he had anything further to say which might give us indication of possibility of agreement between now and Mar 31 if US agreed to go along. He said he cld not speak at all specifically or officially but in his opinion there shld be no difficulty about agreeing to setting up the plebiscite admin by July 15 provided Pak took reasonable attitude on other points.

He told me very confidentially that India was faced with certain political problems in dealing with Sheikh Abdullah's Kashmir govt and implied Kashmir Govt was sometimes inclined be unreasonable and stubborn. He said the military problem wld obviously be the most difficult to solve but intimated that if India were not asked compromise too large number of troops they might agree allow plebiscite admin to have final decision on placing these troops so that no one cld remotely claim they in any way influenced the election.

¹ December 26, p. 1925.

I again asked Bajpai if the resolution was agreed to wld he have any objection to flat statement that this was Graham's final effort. He said he would have no objection and that this fact in itself indicated his belief that agreement cld be reached. Bajpai again emphasized that any solution which criticized and pressured India cld only end in an impasse which wld make problems of his govt much more difficult here in India and be regarded as another defeat for UN.

I pointed out my govt was under pressure from Pak and asked if he had any knowledge as to how firm Pak position was likely be. He said he believed they wld talk very firmly but that he thought they wld be in very poor position if after all these months of negots they refused agree to final 90-day extension of time.

Bajpai impressed me as being entirely sincere and personally anxious to get this problem solved. Although I believe he speaking for Nehru and govt I cannot of course be sure of this. In any event I do not see how we can lose by accepting his suggestions.

May I caution that our reps exercise utmost discretion in any follow-up or use they might make of above info. I must protect Bajpai or my source info may dry up. I wld appreciate any views or comments which might help in pursuing this matter with him.²

Rptd info Paris 48 (for Warren Austin) Karachi 109.

BOWLES

² In telegram 1295, to the Embassy in New Delhi, December 31, the Department of State acknowledged the Embassy's telegrams 2224 and 2273 and promised an early expression of its views on Bajpai's suggestions. The Department's preliminary view was to doubt that these suggestions would provide a basis for an acceptable settlement. (690D.91/12-2651)

THE PUSHTUNISTAN DISPUTE: INTEREST OF THE UNITED STATES IN PRESERVING PEACEFUL RELATIONS BETWEEN AFGHANISTAN AND PAKISTAN WITH RESPECT TO JURISDICTION OVER THE NORTH-WEST FRONTIER PROVINCE ¹

Editorial Note

The United States had on November 6, 1950, simultaneously approached the governments of Afghanistan and Pakistan with an expression of concern over the tension between the two, which it felt was impeding economic and social progress and creating a situation favorable to Soviet intrigue. The United States offered to serve as an informal "go-between" in seeking agreement by the two governments to the following four points:

1. To cease attacks upon one another by officials or through official channels and to use their best efforts to prevent such attacks in the press or from other non-official sources.

2. To use their influence to prevent incidents among the tribes which were likely to affect good relations between the two governments. The two governments would further agree that if, despite their efforts, incidents did occur, they would consult together through diplomatic channels and avoid public statements on such incidents.

3. To exchange ambassadors within two months.

4. To designate representatives to meet within three months for informal, exploratory discussions of their differences without a previously agreed agenda or stated preconditions. The two governments would further agree that there should be no publicity concerning these discussions without prior agreement between them.

In instructing the Embassies at Kabul and Karachi to make the above approach, the Department of State asked that care be taken to avoid giving the impression that the United States would act as a mediator. The United States role was to be limited to bringing the parties together. If a third party to the discussions proved essential, a small neutral state or outstanding individual should be sought.

The Department's instructions concerning this approach were made in telegram 117, to Kabul, November 2, 1950, repeated to Karachi as telegram 228; for text, see *Foreign Relations*, 1950, volume V, page 1455.

¹ For previous documentation, see *Foreign Relations*, 1950, vol. v, pp. 1446 ff. For related material herein, see documentation on pp. 1650 ff.; pp. 1699 ff.; and pp. 2004 ff.

The four points were accepted with minor alterations by the government of Afghanistan on November 13, 1950, but a response had not yet been received from the government of Pakistan as of the beginning of the year 1951.

689.90D/1-551 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, January 5, 1951—2 p. m.

597. During conversation last night with Mohammad Ali, Secretary General GOP on another subject he gave me to understand GOP plans no further action on our proposal of November 6¹ re discussions between Pakistan and Afghanistan. GOP regards McGhee's² conversations of November 16 with Zafrullah³ and November 27 with Ispahani⁴ as having closed matter so far as it is concerned.

WARREN

¹ See the editorial note, *supra*.

² George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

³ Sir Mohammed Zafrulla Khan, Minister of Foreign Affairs and Commonwealth Relations, Government of Pakistan. The conversation of November 16, 1950, was among Zafrulla, Mohammad Ali, and McGhee. This conversation, as well as a further conversation of November 17, in which they were joined by Secretary Acheson, is summarized in telegram 280, to Karachi, November 28, 1950, printed in *Foreign Relations*, 1950, vol. v, p. 1457.

⁴ M. A. H. Ispahani, Ambassador of Pakistan in the United States. The conversation of November 27, 1950, is likewise summarized in telegram 280, to Karachi, *ibid*.

689.90D/1-551 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, January 9, 1951—7 p. m.

375. Pls inform FonMin Dept was of opinion conversations Nov 16 and 27 (Embtel 597 Jan 5) were inconclusive, and wonders if Ali's remarks indicate final position GOP.

If it appears GOP means to refuse our approach you might ur discretion pt out that Dept will no doubt have to answer press inquiries re such refusal and hopes this will not result in unfavorable propaganda position GOP (Deptel to Karachi No 317 Dec 12).²

¹ Repeated to London as telegram 3326 and to Kabul by air.

² Telegram 317 to Karachi, December 12, 1950, not printed, was sent also to Kabul as telegram 149, to London as 3001, and to Paris by air. It requested in part that the Embassy inform the Pakistani government that the Department was attempting to prevent an adverse reaction by Afghanistan to press reports that the Pakistani Prime Minister, Liaquat Ali Khan, did not regard the Pakistan-Afghanistan frontier as a subject for discussion. (689.90D/12-1250)

Also, Dept still believes improved Afghan-Pak relations might well result from informal talks.

Urtel No 597 Jan 5 rptd Lon for Info FonOff.

FYI only Dept believes statement similar to that reported Kabul desp 211, Dec 26³ (with implication US proposed Pushtoon issue be discussed) may shortly be issued by Afghan Embs here and in Lon despite informal advice given Afghan Chargé Jan 3 (Deptel 362 Jan 4).⁴

ACHESON

³ Despatch No. 211 from Kabul, December 26, 1950, not printed, transmitted an Afghan press report concerning U.S. efforts to bring about Afghan-Pakistan discussions which implied that the real object of the approach was a discussion of the Pushtunistan question. The Embassy feared that the Pakistan government might use the article as a further argument against holding discussions of any kind. (689.90D/12-2650)

⁴ Telegram 362 to Karachi, January 4, not printed, summarized a conversation of January 3 with the Afghan Chargé in Washington, Abdul Hamid Aziz, who had sought the Department's advice as to whether he should publicly refute the impression that Afghanistan was not favorable to the U.S. approach of November 6. He was told that the Department saw no objection to his issuing a restrained statement to the press that Afghanistan had replied to the U.S. proposal shortly after it was made with a statement of Afghan willingness to consider discussions with Pakistan. It was suggested that he avoid any direct mention of the Pushtun question. (689.90D/1-451)

689.90D/1-1051 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL PRIORITY LONDON, January 10, 1951—6 p. m.

3834. Current status US efforts promote informal Afghan-Pakistan conversations communicated Murray¹ today along lines Deptels 3325² and 3326 January 9.³

Murray expressed Foreign Office's appreciation for information which he said was particularly timely since Foreign Office has had in mind possibility endeavoring persuade Liaquat accept US proposals if suitable opportunity presents itself. Murray told us that when Bevin⁴ briefed on this subject, latter had suggested possibility UK suggesting to Liaquat that he sit down at table with UK, Afghan and US representatives here in London to explore possibility of holding such conversations. Murray said he had pointed out to Bevin that

¹ J. D. Murray, Head of South-East Asia Department, British Foreign Office.

² Telegram 3325, to London, January 9, not printed, instructed the Embassy to inform the British Foreign Office of the substance of telegram 597, from Karachi, January 5, and of telegram 375, to Karachi, January 9 (689.90D/1-951).

³ See footnote 1, *supra*.

⁴ Ernest Bevin, British Secretary of State for Foreign Affairs.

Afghans had already indicated willingness to consider proposals and no good purpose would seem to be served by their participation. Bevin agreed, but still has in mind possibility suggested procedure for undertaking talks be explored by Liaquat with UK and US representatives here. Murray stressed Bevin may not even make this latter suggestion, but if he does so, there would be sufficient opportunity for us to obtain instructions from Department. We would appreciate Department's reaction.⁵

Repeated Karachi 48, Kabul 11.

GIFFORD

⁵ In telegram 3358, to London, January 11, not printed, the Department requested the Embassy to inform the British Foreign Office of its belief that it was premature to initiate quadripartite or tripartite talks with respect to possible Afghan-Pakistan discussions. Provided the Pakistanis or the British Foreign Office took the initiative, the Department saw no objection to the Embassy talking with the Pakistanis with respect to the general position of Pakistan vis-à-vis the U.S. approach. (6S9.90D/1-1051)

6S9.90D/1-1151: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, January 11, 1951—4 p. m.

623. Yesterday in a general conversation with Zafrulla, we discussed the present status of Pakistan-Afghan relations. I had asked for his comment on the statement made by the Afghan Under Secretary of Foreign Affairs¹ to our Chargé at Kabul,² alleging Pakistan has budgeted 500,000 RS to be spent in stirring up the tribes of the Afghan side of the border. Zafrulla pointed out that the only money spent by Pakistan is the continuance of the annual subsidy paid Pakistan tribesmen as a responsibility inherited from the British. He then referred to his conversation of November 16 (reDeptel 375, 9th) and gave me the impression that while not refusing the Department's overture he still expects a statement from the Department on the legitimacy of the Durand Line³ similar to the British attitude as a prior condition to entering into discussions with the Afghans.

Repeated information Kabul 26.

WARREN

¹ Abdul Samad Khan.

² Fred W. Jandrey.

³ The boundary line between British India and Afghanistan drawn up by a British mission under Sir Henry Mortimer Durand and agreed to by Amir Abdur Rahman, Khan of Afghanistan, on November 12, 1893. For the text of the agreement, see *British and Foreign State Papers*, vol. 95, 1901-1902, p. 1049; or India, Foreign and Political Department, *A Collection of Treaties, Engagements, and Sanads Relating to India and Neighbouring Countries* (Calcutta, Government of India Central Publication Branch, 1933), vol. XIII, p. 256. The Pakistani representatives had in their conversations at the Department of State with Assistant Secretary McGhee and Secretary Acheson on November 17 and 27 pressed for

689.90D/1-1251 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL

LONDON, January 12, 1951—8 p. m.

3886. Deptel 3358, January 11.¹ Embassy today informed Murray of Department's views re tripartite talks. Murray said FonOff would bear in mind in connection any conversations between Bevin and Liaquat this subject. So far as he knew, no discussion this problem had yet taken place between two PM's although at yesterday's PM meeting,² matter received passing attention in connection survey of Asian problems. Bevin referred to Afghan-Pakistan dispute as one on which Commonwealth should draw together. Liaquat followed this by expressing concurrence and indicating indirectly that India had been somewhat less than helpful in matter. Problem was inconclusively left at that. Murray said FonOff still hopeful Bevin will tackle Liaquat alone in effort persuade him adopt favorable approach US proposals.³

Repeated information Kabul 12, Karachi 54, Delhi 117.

GIFFORD

a statement that the United States would support the Durand Line as the valid international boundary between Pakistan and Afghanistan; see telegram 280 to Karachi, November 28, 1950, in *Foreign Relations*, 1950, vol. v, p. 1457.

An *aide-mémoire* sent to Ambassador Ispahani on November 29 at his request following the conversation of November 27 with McGhee contained the following four points:

"(1) The United States Government believes that it would be inappropriate for it to make an explicit statement regarding the validity of the Durand Line at this time, before the beginning of any informal talks between the Governments of Pakistan and Afghanistan (as suggested by the United States approach of November 6, 1950).

"(2) If the United States is to maintain its posture of impartiality it cannot at this stage give commitments to either Pakistan or Afghanistan with respect to the talks it has proposed between them.

"(3) As regards the Durand Line, the United States considers that its position is implicit in the prompt recognition accorded the Government of Pakistan in 1947 and in the attitude which the United States Government has adopted toward the Afghan-Pakistan dispute since its inception.

"(4) In the unhappy event that the Afghan-Pakistan talks proposed by this Government should break down over the issue of the validity of the Durand Line, the United States would then give consideration to making its position explicit." (689.90D3/11-2950)

¹ Telegram 3358 to London not printed, but see footnote 5, p. 1932.

² The annual Conference of British Commonwealth Prime Ministers had been in progress in London since January 4.

³ Telegram 3989, from London, January 18, not printed, reported that Liaquat had delayed his return to Karachi until January 19, that he would have a private conversation with Bevin on January 18, and that the South-East Asia Department of the British Foreign Office had recommended that Bevin take the opportunity to urge him to accept the U.S. proposals for Afghan-Pakistan conversations (689.90D/1-1851).

689.90D/1-1951: Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

CONFIDENTIAL

LONDON, January 19, 1951—6 p. m.

4009. Lloyd,¹ SEA Department, informs us Bevin yesterday made unsuccessful attempt persuade Liaquat accept US proposals re Afghan-Pakistani conversations. (Embtel 3989, January 18).² Liaquat stated he was unable accept so long as US refuses affirm validity Durand Line.³

Repeated info Kabul 14, Karachi 63.

GIFFORD

¹ J. O. Lloyd, Assistant, South-East Asia Department, British Foreign Office.

² Not printed, but see footnote 3, *supra*.

³ In telegram 656, from Karachi, January 20, Ambassador Warren reported as follows: "Zafrulla confirmed to me this morning that Bevin and Liaquat have discussed Pakistani-Afghan relations in the course of their general review of political matters. He said that he will ask the Prime Minister to give me an answer. I think it would be a mistake should the Afghan Chargé issue a press statement before the Department has a statement of Liaquat's position." (689.90D/1-2051)

689.90D/1-2251

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan-Afghanistan Affairs (Gatewood)

SECRET

[WASHINGTON,] January 22, 1951.

Subject: Afghan-Pakistan Dispute; Pakistan Position Re Communist China; Pakistan Proposal for SC Action Re Kashmir

Participants: Mr. Mohamad Ali, Secretary-General, Government of Pakistan

Mr. M. A. H. Ispahani, Ambassador of Pakistan

NEA—Mr. McGhee

SOA—Mr. Gatewood

Problem:

To clarify Pakistan views of US approach re informal talks between Pakistan and Afghanistan; to obtain an indication of how Pakistan will vote on the US resolution to condemn Red China as an aggressor; Kashmir case.

Action Required:

To obtain an answer from Pakistan to the US approach of November 6; to influence Pakistan's attitude towards Red China; and to make some progress toward solution of the Kashmir issue.

Action Assigned to:

NEA: SOA

Mr. Mohamad Ali called, at his request, for a one-half hour appointment, which was extended to one hour.

Afghan-Pakistan Dispute:

Mr. Mohamad Ali said Mr. Kelser had informed him in London that Mr. McGhee would shortly be visiting Pakistan. Mr. McGhee said that he was looking forward to his trip, which would also include Kabul,¹ and that he was disappointed that the GOP (as reported by Ambassador Warren following his conversation of January 4 with Mr. Mohamad Ali) believed that no further action need be taken with regard to the U.S. approach of November 6 unless the Department were prepared to make a statement as to the validity of the Durand Line similar to that issued by the British.

Mr. Mohamad Ali said that, as he had told Mr. Mathews² earlier, he had not meant the Ambassador to understand that his Government was refusing to accept the US approach; that he had personally hoped Mr. McGhee might convince his colleagues in the Department that there was no harm in making a statement as to the Durand Line, since this was only a question of fact; that to express US views on this subject to the Afghans did not, in his opinion, constitute favoritism to one side or the other; and that if the US were not to make such a statement the proposed conference would almost certainly fail, as "those blackmailers" would insist on raising the question of an independent Pushtoonistan and the GOP could not admit any discussion that might imply willingness to surrender any part of Pakistan territory. Mr. Mohamad Ali repeated the arguments he had used in his earlier conversation with Mr. Mathews and referred, as a fact, to Indian financial support for Afghanistan's activities in the tribal areas.

Mr. McGhee pointed out that the Department was not an international court; that the validity of the Durand Line was implicitly affirmed by the US recognition of Pakistan in 1947; that (as Sir Zafrulla had been informed in November) the Afghans had accepted the US proposals in principle; and that we still had hopes that the talks would produce some favorable results. He expressed regret that the GOP did not share our view that the timing of such a statement

¹ Mr. McGhee visited a number of countries in South Asia and the Near East in connection with two diplomatic conferences of which he served as chairman: the Second Regional Conference of U.S. Chiefs of Mission in the Near East, held in Istanbul, February 14-21; and the South Asian Regional Conference of U.S. Diplomatic and Consular Officers, held at Nuwara Eliya, Ceylon, February 26-March 3.

² Elbert G. Mathews, Director of the Office of South Asian Affairs.

would cause the Afghans to doubt our good faith, in view of our careful attempt to avoid introducing into our proposal any preconditions that would bind either country. He asked whether he was to understand that Pakistan would refuse our approach.

Mr. Mohamad Ali replied that his Government had not yet refused; that he had seen a draft reply to the US *aide-mémoire*; and that he would cable the Prime Minister on this subject. He said that, if only the Durand Line were recognized by both countries as the official boundary, he thought they could reach a settlement regarding the control and welfare of the tribes on either side of the border.

Mr. McGhee said he sincerely hoped that the Afghans would not be in a position to make unfavorable propaganda for Pakistan by playing up Pakistan's unwillingness to hold general, informal talks with its neighbors.

[Here follows discussion of the attitude of Pakistan toward Communist China and the Kashmir dispute. For the portion relating to the Kashmir dispute, see page 1713.]

689.90D/1-2251

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

SECRET

[WASHINGTON,] January 22, 1951.

Subject: Pakistan Position regarding US Approach of November 6.

Participants: Mr. Mohamad Ali, Secretary-General of the Government of Pakistan

Mr. M. O. A. Baig, Minister, Embassy of Pakistan
SOA—Mr. Mathews, Mr. Gatewood

Problem:

To ascertain the answer of the Government of Pakistan to the US approach of November 6.

Action Required:

To clarify the Pakistan position.

Action Assigned to:

SOA

In the course of Mr. Mohamad Ali's call at the Department, Mr. Mathews took occasion to express his disappointment that (as reported by Ambassador Warren after his conversation of January 4 with Mr. Mohamad Ali) the Government of Pakistan wished to take no further action on the US approach of November 6 unless the US should make explicit its view that the Durand Line constituted the international boundary of Pakistan.

Mr. Mohamad Ali said he had not wished to give the Ambassador the impression his Government would flatly refuse the US approach unless the US position were altered and that he had personally hoped that we would be willing to change our views, possibly during the next week or so before the Pakistan Prime Minister returned from his political tour of the Punjab.

The Pakistan Secretary-General presented the following arguments for a change in the US position :

(1) The Durand Line was a question of fact only and did not involve a policy decision; therefore, there was no reason why the Afghans should not be told that the US accepted it. This would not be an unfriendly act, as the US could make it clear that such a statement had been requested by Pakistan.

(2) The proposed informal talks would almost certainly break down on this issue, as the GOP would not even discuss the possibility of giving up any territory to the east of the Durand Line and it appeared that the Afghans were absolutely determined to raise this issue; therefore, unless the Afghans clearly understood that the boundary could not be called in question, "those blackmailers" would do everything possible to obtain a propaganda victory such as Pakistan had once before refused them, when Shah Ali had requested that the administered areas of the NWFP be renamed "Pushtoonistan".

(3) If Afghanistan raised the question of Pushtoon independence, the GOP might well reply that the majority of Pathans (on the Pakistan side of the Durand Line) were anxious to liberate their brethren from the inept and undemocratic Government of the Mohammed Zias, with the result that Afghan-Pakistan relations would deteriorate still further.

Mr. Mohamad Ali said that the British had been surprised at the US attitude concerning the Durand Line (Mr. Mathews immediately assured him that there was no cause for this, as the British should have well understood our views); that the GOP now had proof that India was subsidizing Afghanistan to promote unrest in the tribal areas, as well as allowing a good deal of agitation for Pushtoonistan within India; and that, if the Kashmir question were settled, Afghanistan would immediately abandon its sponsorship of Pushtoonistan.

Mr. Mathews said he found it difficult to understand the Pakistan viewpoint: It seemed clear that, at this stage, we could hardly make a pronouncement concerning the Durand Line just because Pakistan requested it, as the Afghans would then doubt our good faith. Our approach of November 6 had been specifically designed to promote general, informal talks without attempting to suggest an agenda, because we thought some improvement in Afghan-Pakistan relations would emerge from these talks, even though some issues remained unresolved. Mr. Mathews further pointed out that the Afghans had

"a pretty good idea" of our views concerning the Durand Line; that there was no question that our recognition of Pakistan in 1947 implied our acceptance of the Line; but that we still believed that we should not make an explicit statement on this point at this time.

Mr. Mohamad Ali said that, of course, the Department had not bothered about details like an agenda, but that he expected the Afghans would press for some encroachment on Pakistan territory; that "those blackmailers" would try to maintain the despotism of the Afghan royal family, which had done nothing for the Afghan people in its twenty years of rule; and that perhaps the Department considered the present Afghan regime more high-minded and liberal than it really was.

Mr. Mathews replied that we did not take quite so dark a view of the Afghan situation; that we also wished to encourage democratic elements in Afghanistan; that if Pakistan refused the US approach, this action might strengthen the hands of the extremists and prevent moderate influences from making themselves felt so as to allow improved relations with Pakistan. He said he did not think the Department would change its stand against making a statement as to the Durand Line in the present situation.

Mr. Mohamad Ali said that, however good US intentions might be, he thought the US initiative in this matter might unhappily result in further unstability in the Frontier area. He said his government "would try to meet" the Department on this point and that he would cable the Prime Minister about it, so that a definite reply might be given to Ambassador Warren when Liaquat returned from his Punjab tour.

Kabul Embassy Files

The Chargé in Afghanistan (Jandrey) to the Director of the Office of South Asian Affairs (Mathews)

CONFIDENTIAL

KABUL, January 23, 1951.

OFFICIAL INFORMAL

DEAR BERT: From the flow of telegrams which has been received here, and especially the last one from London¹ giving what appears to be the Pakistan Prime Minister's final decision on our proposals, it is obvious that these proposals are not acceptable to the Government of Pakistan and that conversations will not take place. Unless we make an unequivocal statement that we consider the Durand Line to be the international boundary between Afghanistan and Pakistan,

¹ Reference is presumably to telegram 4009 from London, January 19, p. 1934.

the Government of Pakistan will not agree to negotiate; if we make such a statement, you can be sure that the Afghan Government will retract its acceptance. The question with which we are now faced is whether or not there is anything more we can or should do to attempt to bring about a solution to this Pushtoonistan problem.

The fact that the Pakistan Government has insisted on our support for their thesis of the validity of the Durand Line has doubtless made you wonder if such a declaration on our part may not some time have to be made. I assume, however, that this would not be done until the Department has had an opportunity of reviewing the legal arguments of the Afghan Government. It is of interest in this connection to note that the day before his departure the Ambassador was given a French copy of a brief² drawn up supposedly by a French international lawyer and possibly, if the Foreign Minister's statement is correct, by a British lawyer as well. The Ambassador has promised to translate this brief while en route to Paris, where he should be about February 7.

Any unequivocal statement we may feel obliged to make concerning the Durand Line would certainly have the following effects:

(1) The Afghans would feel that they had been tricked by the United States as our original proposals emphasized that no conditions should be placed on the negotiations. Accordingly, we would be accused of bad faith by coming out in favor of the thesis back of the very condition which Afghanistan, rightly or wrongly, has always found unacceptable.

(2) Obviously, the relations between the Embassy and the Afghan Foreign Office, which are at present very cordial, would suffer. I don't mind taking the rap here, which I should certainly have to do. The Ambassador was very careful not to argue against the Afghan point of view and the Afghans very definitely feel that he has been working in their interest. That is not, however, the unequivocal feeling about me or perhaps other members of the Embassy staff who have upon occasion questioned the validity of the arguments of Afghan government officials and our Afghan friends. I know, therefore, that any declaration on our part would result in strong criticism of me as being pro-Pakistan and anti-Afghan. Nevertheless, the Department must decide whether it has to make a statement, and if so, what timing will be most advantageous and what concessions, if any, Pakistan would be prepared to make for this support. In any case, I can't believe that it would be to our advantage to have such a statement follow too closely on the heels of a breakdown in our attempts to bring about bilateral negotiations. Possibly Mr. McGhee, when he visits Kabul

²Not printed. Reference is presumably to a brief entitled "Consultation for the Government of Afghanistan Regarding the Juridical Situation of the North West Frontier Province and Particularly Concerning the Free Tribes," prepared by Mr. Georges Scelle, which is discussed in a memorandum, also not printed, by Mr. John Maktos, Assistant Legal Adviser for Near Eastern, South Asian, and African Affairs, to the Director of the Office of South Asian Affairs (Mathews), March 20, 1951 (689.90D/3-2051).

early in March, may find a convenient opportunity of indicating our official opinion and implying that sooner or later we might feel compelled to take a definite stand on this point. (As stated above, he might first want to review the Afghan legal position.) I think the Afghans should have ample warning and not have our opinion come as a surprise.

(3) Any announcement regarding the Durand Line would doubtless cause general criticism of Americans and would make it hard for the American teachers at Habibia, as well as for the teachers coming out for the Afghan Institute of Technology. What would probably be even more serious would be the loss of prestige by American educated Afghans who would doubtless personally feel the resentment of their superiors. The German and French stock would rise correspondingly.

The over-all decisions are of course up to the Department which must view this dispute on a global basis and decide how best to settle it and what value Afghanistan is to us under any circumstances. Moreover, the Department will doubtless consider carefully whether there is anything further that we can do on our own to bring about a settlement so long as the bigger issue of Kashmir remains unresolved. Meanwhile, I merely did want to get a note off to you in this pouch to record briefly my first thoughts on the effect of giving in to Pakistan's insistence that we declare ourselves on the Durand Line.

Sincerely yours,

FREDERICK JANDREY

689.90D/1-2451 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, January 24, 1951—6 p. m.

4093. Olver,¹ SEA Department, today told us that Younger² (in Bevin's absence because of illness) yesterday made effort persuade Zafrullah, who is here en route Lake Success, to accept US proposals for Afghan-Pakistani conversations. Zafrullah took same line as Liaquat (Embtel 4009, January 19), indicating main stumbling block is lack US assurance re Durand line. According Olver, Zafrullah made it clear that all he desired was private and confident assurance on this point.

In commenting on Pakistan motivation for insisting on this point, Olver said he had clear impression Pakistanis do not desire statement for any propaganda purposes now and would not use it as such. He

¹ S. J. L. Olver, Officer for India, Pakistan, French and Portuguese India, and Ceylon in the South-East Asia Department of the British Foreign Office.

² Kenneth Younger, British Minister of State.

thought, however, they desired to have confidential statement (probably in writing) up their sleeve in event talks broke down on Durand line issue and would like then be in position to cite "neutral" opinion re validity of line to buttress "interested" UK statements on subject. We pointed out we had already informed Pakistanis that if talks broke down on this issue, we would give consideration at that time to making US position clear to Afghans. (Deptel 2804, November 24 [28]).³ Olver thought Pakistanis probably wanted matter more tightly sewed up.

Repeated information Karachi 65, Kabul 15.

GIFFORD

³ Same as telegram 280, to Karachi, November 28, 1950, printed in *Foreign Relations*, 1950, vol. v, p. 1457.

689.90D/1-3051 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

TOP SECRET

KARACHI, January 30, 1951—2 p. m.

685. For McGhee. Ikramullah¹ showed me this morning Bevin's top secret letter of December 4, 1950 to the Pakistan High Commissioner in London² defining the UK position on the Durand line. While I cannot quote from memory, the substance of the communication is that His Majesty's Government in the UK considers that Pakistan at the time of the formation of its government became the inheritor of the Durand Line as the boundary with Afghanistan. In the view of the UK Government, Afghanistan's expressed willingness to enter into direct negotiations with Pakistan on the problems of mutual concern without including Pushtoonistan specifically in the conversations shows a more conciliatory attitude. It is the hope of the UK Government that Pakistan for the reason cited above may find it possible to accept the good offices of the US Government and enter into direct conversations with Afghanistan.

I urgently recommend you present to the Secretary from the point of view of timing and effect the desirability that he give assurances similar to Bevin's to the Pakistan Ambassador in Washington. The Pakistanis are prepared to go ahead immediately and have already drafted, and Ikramullah tells me, have cabled approval for the notes inviting the Afghans to enter into conversations.

WARREN

¹ Mohammad Ikramullah, Secretary, Ministry of Foreign Affairs and Commonwealth Relations, Government of Pakistan.

² Habib Ibrahim Rahimtoola.

689.90D/1-3051

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

TOP SECRET

[WASHINGTON,] February 1, 1951.

Subject: Pakistan Request for Explicit US Statement as to Validity of Durand Line.

Discussion:

The Government of Pakistan has approached Ambassador Warren once more in an effort to obtain a US assurance that we accept the Durand Line as a valid international frontier. As you informed the Pakistan Foreign Minister on November 17, we do not believe that we should make explicit our position as to the Durand Line at this time, while Pakistan has not yet accepted our proposals of November 6 to engage in general and informal discussions with Afghanistan regarding their differences. Even if such a statement were made privately to Pakistan, it would constitute a change in the US position governing our proposals.

Ambassador Warren would like to convey your present views on this question to the Pakistan Foreign Office (Tab A)¹ and we believe that, once the Pakistanis learn that your opinion has not changed, they may be amenable to initiating the talks on the basis we have suggested.

Recommendation:

That you authorize transmittal of the attached telegram to Karachi (Tab B).²

¹ Telegram 685 from Karachi, January 30, *supra*.

² Secretary Acheson signed the telegram, which was sent as 462, to Karachi, February 2, *infra*.

689.90D/2-251 : Telegram

*The Secretary of State to the Embassy in Pakistan.*¹

TOP SECRET PRIORITY WASHINGTON, February 2, 1951—11 p. m.

462. From McGhee. Secy has again considered US position (Embtel 685 Jan 30) and believes it shld remain same as indicated in his Nov 17 talk with Zafrulla and US *aide-mémoire* Nov 30.

We have never questioned validity Durand Line but believe we cannot explicitly state our position at this time without completely

¹ Repeated by air to London, New Delhi, and Kabul.

altering basis Nov 6 approach. We wld reconsider this position if talks break down.

You may convey above to FonOff. Pak Emb here not informed. [McGhee.]

ACHESON

689.90D/2-951 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

SECRET

LONDON, February 9, 1951—1 p. m.

4349. For Mathews, SOA, from Kennedy.¹ Foreign Office prepared give Pakistan High Commission *aide-mémoire* re November 6 proposal for Afghan-Pakistan talks. Substance key paragraph follows:

"It is UK belief that the State Department does not question the validity of the Durand line as the international frontier between Afghanistan and Pakistan. They have not made any public statement this subject because they have not regarded US as directly concerned; they consider, however, that their attitude has always been implicitly clear."

British understand that Department not involved this action and that we are not prepared go any further than in our *aide-mémoire* of November 28 to Pakistan Ambassador.² [Kennedy.]

GIFFORD

¹ Donald D. Kennedy, Deputy Director of the Office of South Asian Affairs, met in London February 6 through 10 for discussions with British government officials. For a summary of the discussion concerning Afghanistan-Pakistan relations, see memorandum dated February 14, p. 1653.

² For the provisions of this *aide-mémoire*, which was drafted on November 28 and sent on November 29, see footnote 3, p. 1932.

790D.13/2-1351

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] February 13, 1951.

Subject: Pakistan Objections to Part of Proposed UN Resolution Re Kashmir; Unavailability of Admiral Nimitz¹ for UN Duties in Kashmir; Pakistan Attitude Toward US Approach of November 6 Re Proposed Afghan-Pakistan Conversations

Participants: Sir Mohammed Zafrulla Khan, Foreign Minister of Pakistan

The Secretary

Mr. M. A. H. Ispahani, Ambassador of Pakistan

¹ Fleet Adm. Chester W. Nimitz, U.S.N.

Mr. Mohamad Ali, Secretary-General, Government of
Pakistan

SOA—Mr. Mathews
Mr. Gatewood

[Here follows a discussion of the Kashmir dispute; for text, see page 1724.]

Sir Zafrulla mentioned his hope that I might change my view as to the desirability of privately informing both Pakistan and Afghanistan of our position concerning the validity of the Durand Line. He said he realized that we had no objection to the Durand Line as the frontier of Pakistan, but he wished we could state positively that we accepted it as such. After ascertaining from Mr. Mathews that there were no new developments in this regard, I indicated that my views remained unchanged and remarked that, at least in this instance, we could not be accused of inconsistency. Sir Zafrulla agreed that our position had been consistent on this point since our approach of November 6.

357.AB/2-1451

*Memorandum of Conversation, by Mr. W. Averell Harriman, Special
Assistant to the President*

SECRET

[WASHINGTON,] February 14, 1951.

Subject: Pakistan-Afghanistan

Participants: M. A. H. Ispahani, Ambassador E. and P. (Pakistan)
Sir Zafrulla Khan, Foreign Minister of Pakistan
Mohammed Ali, Secretary General of the Pakistan
Cabinet
Mr. Elbert G. Mathews, Director of South Asian
Affairs Division of Department of State
Mr. W. Averell Harriman, Special Assistant to the
President

[Here follows a discussion of the Kashmir dispute; for text, see page 1727.]

The Foreign Minister turned finally to the question of the United States' attitude to the Durand Line in connection with the Afghanistan-Pakistan dispute over the tribal areas. He said that his Government had hoped very much that the U.S. could see its way clear to inform both the Afghanistan and Pakistan governments that it recognized the Durand Line as a valid international frontier. I said that it was my impression that we did not question the Durand Line, and Mr. Mathews confirmed that this was the State Department position. Mr. Mathews went on to say that the real difficulty was that the United States did not feel, after having made certain proposals to

Afghanistan and Pakistan looking toward a resolution of their differences, that it should make any change in its declared position on the Durand Line. Mr. Mathews commented also that another point of difference between the U.S. and Pakistan in this connection was that the U.S. had much greater hope that discussions between Afghanistan and Pakistan would lead to a good result.

[Here follows a discussion of other matters.]

W. A. HARRIMAN

689.90D/2-2351

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

SECRET

[WASHINGTON,] February 23, 1951.

Subject: Afghan-Pakistan Dispute; Health of Afghan Prime Minister

Participants: Abdul Hamid Aziz, Minister Counselor, Chargé
d'Affaires ad interim, Embassy of Afghanistan
SOA—Mr. Mathews
Mr. Gatewood

Minister Aziz called at his request to inquire concerning developments relating to the Pakistan attitude toward our November approach. Mr. Mathews informed him that, since their conversation of February 13 the Pakistan Prime Minister had returned briefly to Karachi, but was now in the Punjab again; that we had been informed that the Pakistan reply to our approach would have to be decided by the full Cabinet and not by Liaquat alone; that it was unlikely that the Pakistan Cabinet could meet much before March 1; and that we therefore believed the Pakistan reply could not now be expected before early March.¹ Mr. Mathews also told the Minister that we deplored this delay as much as he did; that we had informed Pakistan officials here of our regret in this matter; and that it appeared the Pakistan Government attached considerable importance to their reply, which would have to be considered by the full Cabinet.

The Minister said he would cable this news to his Government, and inquired whether we had any indication as to the reasons for this additional delay, i.e., either Pakistan's dissatisfaction with the original proposals, inability to reach a decision, or preoccupation with other matters, such as Kashmir. Mr. Mathews said he personally thought that all three factors might be involved. The Minister then asked whether Mr. Mathews was in a position to tell him, on a purely personal basis, why the Pakistan Government had been unable so far to

¹ This information had been conveyed to the Department in telegram 749, February 17, from Karachi, not printed (690D.91/2-1751).

accept the eminently reasonable US proposal, and he was informed that, in all probability, it appeared that Pakistan feared that the extremists in Afghanistan would take an unyielding position on the Pushtoonistan question during the proposed talks.

The Minister pointed out that he would be much embarrassed to report such an opinion to his Government and Mr. Mathews agreed; reminding him that he had merely answered the Minister's question. Mr. Aziz then suggested that it might be possible, should the Pakistan reply be favorable, for this opinion to be expressed by the Secretary of State to the Afghan Prime Minister, at the time when the latter would visit Washington. He said that he made this suggestion on a purely personal and informal basis and would not communicate it to his Government. Mr. Mathews agreed that this possibility might well be kept in mind as a possible contribution to the favorable outcome of the proposed talks.

In later conversation with Mr. Gatewood, Mr. Aziz inquired somewhat querulously why the British had not been of any assistance in persuading Pakistan to accept the US approach, and he was informed that the British Foreign Office had, in fact, attempted to exert some favorable influence on the Pakistan Government in this regard.

[Here follows a brief discussion of the health of the Afghan Prime Minister.]

689.90D/3-551 : Telegram

*The Acting Secretary of State to the Embassy in Pakistan*¹

SECRET PRIORITY

WASHINGTON, March 5, 1951—6 p. m.

553. For McGhee. Embtel 795 Mar 2.² In forthcoming talks with Ikramullah or Liaquat you may wish state:

(1) US disappointed failure GOP respond efforts alleviate Afghan-Pak tensions. GOA early acceptance suggests willingness consider US proposals constructive and of mutual benefit both GOA and GOP but concern over GOP delay tends reduce GOA confidence usefulness proposed negots. At present impossible for US fundamentally alter orig concept Afghan-Pak talks by yielding to GOP efforts obtain further definition our position Durand Line. (FYI latest effort this direction by Pak addressed UK auths, who indicated to GOP understanding and concurrence US firmness this pt.) US hopes GOP will not overlook positive benefits foreseen from Nov 6 approach which

¹ Repeated for information to Kabul as telegram 217, and by air to London.

² Telegram 795, from Karachi, March 2, not printed, reported that Ikramullah had stated that the U.S. approach of November 6 was not discussed at the Pakistani cabinet meeting of February 28. Ikramullah had recommended to the Prime Minister that a decision be deferred until he (Ikramullah) could discuss the subject with McGhee when the latter arrived in Karachi. (689.90D/3-251)

provides for immed improvement Afghan-Pak relations through agreement to (a) stop propaganda, (b) prevent or at least minimize disruptive possibilities border incidents and (c) exchange ambs.

(2) Despite previous GOP objections Dept convinced US approach contains effective means rendering major infection more amenable to remedial treatment by removing many present sources irritation and suspicion. Dept concerned as to outcome GOP foresees if tensions allowed ferment indefinitely.

(3) Dept's interest in settlement Afghan-Pak differences reflects gen US policy contribute maintenance peaceful world. It wld be shocked to think that GOP does not believe either party has major self-interest and responsibility for relieving tensions affecting whole SOA area. US therefore assumes GOP is considering its own responsibility, shld it reject US approach, to put forward some alternative.

(4) If GOP believes itself unable reply our approach by end Mar, Dept sees no alternative but to withdraw our proposals.

If you concur last point you may wish to inform GOP and point out such withdrawal will inevitably involve some statement to press both in Wash and Karachi.

WEBB

689.90D/3-1051 : Telegram

The Acting Secretary of State to the Embassy in Afghanistan

SECRET PRIORITY

WASHINGTON, March 10, 1951—4 p. m.

229. For McGhee. Afghans undoubtedly attach great significance present visit, perhaps overestimating importance Dept gives Pushtoonistan issue and overoptimistic re US sympathy for Afghan position. While believed undesirable strengthen such impressions you may wish bring out fol pts in ur Kabul talks:

(1) Afghan acceptance Nov 6 proposal welcome evidence willingness discuss differences and Afghan awareness heavy responsibility Asian nations keep own houses in order in face world situation.

(2) To forestall Afghan efforts learn future US line you might indicate our concern limited to gen interest in peace this area as elsewhere and to hope we can assist two govts friendly to US in communicating to each other constructive views that wld facilitate discharge their own responsibilities as neighbors solve local problem.

(3) Although we wld be concerned failure either party recognize and assume responsibility bilateral settlement we will not be drawn in as mediator and believe we shld not take any position on those legal questions that might be considered suitable for ref internatl bodies. (Afghans will probably assert applicability Kashmir plebiscite principles in Pushtoonistan but we believe best not argue this pt.)

(4) Re inevitable questions Pak delay responding Nov 6 proposal best explanations appear be preoccupation Kashmir problem and Punjab elections pointing out we still have hopes favorable reply.

(5) If queried re Dept position, in event Pak rejection (or breakdown talks if held) we wld have to review situation in light of circumstances then prevailing.

(6) Consistent with US view that numerous problems other than Pushtoonistan may profitably be discussed between parties it may be useful press Afghans for statement other chief issues preventing resumption good relations Pak and for views priority they attach solution these issues.

You may also wish review Amb Jessup's "Notes on conversations in Kabul, Mar 5 1950"¹ especially concluding paras conversation with PriMin.

FYI FonMin gave Amb Dreyfus² personally and confidentially Fr legal brief which Dept now studying in conjunction opinion requested some weeks ago from Legal Adviser re legal aspects Pushtoonistan issue. Adviser's opinion expected early Apr.

WEBB

¹ Reference is to a memorandum by the Ambassador at Large, Philip C. Jessup, not printed (611.89/3-550).

² Louis G. Dreyfus, Jr., Ambassador to Afghanistan, 1949-1950.

689.90D/3-1251

*Memorandum of Conversation, by the Chargé in Afghanistan
(Jandrey)*

CONFIDENTIAL

[KABUL,] March 12, 1951.

Participants: Afghan Minister of Foreign Affairs
and
Mr. McGhee
Mr. Ludin
Mr. Jandrey

The Foreign Minister began the conversation with the statement that Afghanistan had always been interested in the problem of the tribal peoples and had always sought a peaceful solution thereof. He mentioned that in 1942 the question had been raised by him with the British Ambassador at Kabul¹ who told him that the time was not then ripe to seek a solution. Subsequently the issue was again raised at the time the Cripps mission² came to India and again the same answer was given to the Foreign Minister by the British Ambassador. When partition took place, Afghanistan was not consulted about the tribal area although the Afghan presumption was that this would

¹ Sir F. V. Wylie.

² Mission to India in 1942 of Sir Stafford Cripps, Lord Privy Seal.

be done. When subsequently a referendum was held in the North West Frontier Province, the Afghan Government advised the Pakistani that under no circumstances would it accept the outcome of the referendum as a fair means of resolving this problem. Later, when the question of sending a special Afghan envoy to Karachi arose, the invitation was accepted on the condition that the status of the tribal area would be discussed. Still later, when the exchange of ambassadors was proposed, the Afghans once more inserted a clause relating to the negotiation of differences over the Pathan tribes, and finally the Foreign Minister said that he had made an offer to discuss this vital matter to the Pakistan Ambassador but that no reply was ever received.

In the light of the above evidences of interest, Afghanistan was naturally pleased to accept our proposal of November 6 for the initiation of bilateral talks. The Foreign Minister said that he saw no reason why Pakistan should refuse to discuss this matter as it involved the question of the desire of the Pathan people to decide their destiny for themselves. He said that he could see no reason why they should not be allowed to choose whether they wished to be independent or to be Pakistani. Moreover, the Foreign Minister himself had assured the Pakistani that Afghanistan would not use the willingness of Pakistan to negotiate as an argument against Pakistan in case the Pushtoonistan issue was discussed in the UN or became the subject of arbitration or mediation. He expressed the conviction that if something is not done, serious trouble might result and that the beneficiary would be Soviet Russia. It was, in his opinion, in the interest of both Afghanistan and Pakistan, who need each other, to reach a final settlement. He did not, however, envision negotiations which would resolve all problems at one time.

Mr. McGhee stated that he appreciated the interest of Afghanistan in the Pathan tribes but that this problem, as all others, must be considered in the light of the expansionist policy of Soviet Russia which had no hesitancy in taking advantage of the power vacuums in Asia as well as Europe. There was no question about Soviet aggression, of which we have recently had several clear examples. The United States wished to help all countries to protect themselves from Communism and we have already given evidence of that interest to Afghanistan. He assured the Foreign Minister that our objective in connection with the Pushtoonistan issue was simply to see the matter settled by bringing the two parties together. It is the belief of the United States Government that this is the only way of settling an affair of this kind and we do not wish to antagonize either Pakistan

or Afghanistan, with whom we are both friends, by taking any definite side.

Mr. McGhee then explained that he wished to express several personal observations based on world-wide strategic factors but that he would not make any statement to Pakistan of what he personally thought Afghanistan might wish to consider in forming its policy. He first asked the Foreign Minister whether the Afghan approach to Pushtoonistan was based on legal arguments or on the principle of self-determination. The Foreign Minister replied categorically that it was based on the right of self-determination. Mr. McGhee then pointed out that the principle of self-determination was one enunciated by President Wilson but that this principle was not applicable in the present world. There was in fact, ample evidence that today the trend is all the other way. He cited the example of the unification of Europe where countries were even demonstrating a willingness to drop from the essential elements of sovereignty in the interest of collective security, with which the United States was in full accord. He also mentioned the Arab states which are at present seeking some basis for united action. With particular reference to Pushtoonistan, Mr. McGhee then made the following points:

1. That the area called Pushtoonistan was not economically viable.
2. That the area was not politically viable. He indicated that Pushtoonistan would have no informed or experienced leaders to handle its relations with its neighbors.
3. The internal political situation in Pakistan was such that Liaquat Ali Khan could not maintain his position were he to make any considerable concessions on the tribal area.
4. The timing of the present sponsorship of Pushtoonistan is important. We are trying to prepare as rapidly as possible for a united effort in contesting Soviet aggression.

During this period there is a serious question whether keeping the Pushtoonistan issue alive would not harm Afghanistan by creating conditions leading to Soviet intervention. Regardless of the position which Afghanistan might wish to take in the future, it may be better at this time to come to a *modus vivendi*.

Mr. McGhee then reverted to the question of our proposal for negotiations, saying that Pakistan had not yet reached a decision but that they were on the point of doing so. He said that the point which bothered Pakistan was that of sovereignty over the tribal area and suggested that if agreement on this issue could not be reached at the first meeting, some good would come out of discussions on other points of difference which would eventually lead back to the primary issue. He pointed out that economic problems cannot be separated from

political problems and the question of the welfare of the tribes, which is certainly Afghanistan's major interest, would again touch on the margin of the central issue.

The Foreign Minister then mentioned in confidence that Faiz Mohammed³ had recently gone to Karachi for the Islamic Conference and while there Colonel Shah,⁴ the Minister for the Pakistan Tribal Area, had made two amazing statements:

1. That he was not aware of any approach which Afghanistan had made to Pakistan offering to discuss tribal affairs.

2. That they should get together themselves informally in order to discuss the matter. Faiz Mohammed replied that he was not authorized to discuss the problem by his Government but that he would be glad to take the matter up when he returned to Karachi.

The Foreign Minister said that subsequently Faiz Mohammed had telegraphed to Colonel Shah suggesting that he come to Jalalabad where the discussions might take place, but the only word received thus far was that Colonel Shah was not in Karachi.

When Mr. McGhee asked the Foreign Minister directly whether he thought any good would come from continuing to explore solutions to problems short of the sovereignty issue, the Foreign Minister said he could not say but he hoped so. Finally, at Mr. McGhee's urging, the Foreign Minister said he saw no reason why Mr. McGhee should not mention to Liaquat that Afghanistan was hopeful that good would come out of the meeting even if agreement was not immediately reached on the big issue. The Foreign Minister also said that he would give the British Ambassador assurance (which was doubtless passed on to the Government of Pakistan) that Pakistan's willingness to negotiate would never be raised to the disadvantage of Pakistan in case of efforts for settlement by some other means. This fact also Mr. McGhee might pass to Liaquat Ali Khan.

Mr. Ludin then reviewed briefly some of the historical aspects of the Pushtoonistan issue, stressing particularly that the area occupied by the Pathans had been severed from Afghanistan. His point seemed to be a justification for the existence of a Pushtoonistan issue and the desirability of Pakistan's recognizing that a problem in fact does exist. It was my impression toward the end of the conversation that the Foreign Minister admitted the desire of Afghanistan to see this issue solved and that over a period of time the Afghan Government during the course of negotiation would be willing to listen to Pakistan's suggestions and attempt to arrive at some compromise position.

³ Former Afghan Minister of Education.

⁴ Col. A. S. B. Shah, Secretary of the Pakistan Ministry of States and Frontier Affairs.

689.90D/5-2851

*Memorandum of Conversation, by the Ambassador in Pakistan
(Warren)*¹

CONFIDENTIAL

KARACHI, March 16, 1951—8:30 p. m.

Participants: The Prime Minister

Mr. McGhee

Ambassador Warren

After Mr. McGhee had outlined, with the Prime Minister's consent, his conversation the previous day with Mr. Ikramullah, and especially had brought out the three points made by the Foreign Minister of Afghanistan, the Prime Minister said that he is agreeable to calling off immediately the propaganda campaign against Afghanistan provided the Afghans will take the same action.

He is agreeable also to naming an Ambassador to Afghanistan and expected the Afghans on their part to name and send an ambassador to Karachi. After the accreditation of the ambassadors in their respective capitals, he is prepared to receive in Karachi any representations on differences that might arise between the two countries as part of the normal intercourse between countries on the ambassadorial level. In the event that problems may arise that might not be settled in this manner, he is prepared to work out with the Afghan Government through the two ambassadors the organization of a special joint conference that would take cognisance of outstanding tensions and frictions.

Mr. McGhee said that it is his understanding that the Prime Minister in substance accepted the points in the American offer of good offices to which the Prime Minister agreed. It was then suggested that at the beginning of the week Ambassador Warren should get in touch with Mr. Ikramullah to work out language that might be mutually satisfactory and so inform Washington officially of the results of the conversation.

AVRA M. WARREN

¹ Transmitted as enclosure No. 1 to despatch No. 1745 from Karachi, May 28.

689.90D/4-451 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, April 4, 1951—1 p. m.

915. FonSecy told me this a. m. of report he had yesterday from the Pak Chargé Kabul¹ detailing a conv with Saudi Arabia Min

¹ Abdur Rahman Khan.

there.² The Russian Amb at Kabul³ in conv with Saudi Arabian Min said the Sov views sympathetically Afghan's aspirations for Pushtoonistan on the ground of racial affinity of the tribal population.

The Saudi Arabian then pointed out that Pak is known throughout the Muslim world for its opposition to imperialism and colonialism and that Sov must understand that any attitude taken by Russia against Pak on an issue such as Pushtoonistan will arouse a strong resentment in every Muslim country. He added that many of the Muslim states have tried to prevail on Afghans to withdraw the Pushtoonistan issue in order promote Islamic solidarity.

The Sov Amb according to the report said he wld present the Saudi Arabian's point of view to Moscow.

The FonSecy is communicating this info today to the UK HICOM⁴ also. He said the Saudi Arabian Min is a responsible source of info and the report for that reason has weight.

Ikramullah said this is the first time the Sov has indicated interest in Pushtoonistan and raises several speculative assumptions; (1) If Sov expansionism continues to operate on the principle of limited objectives then the Hindu Kush wld no longer be considered as a probable limit of Sov influence. Instead the Indus, including the port of Karachi must now be assumed to be the new frontier of expansionist thinking, (2) in the event India shld withdraw its sympathetic attitude toward Pushtoonistan the Sov is ready to take its place if for no other reason than insure the continuance of friction between Afghans and Paks.

Repeated info Kabul 44.

WARREN

² Fuad Pasha Alkhateeb.

³ The Soviet diplomatic representative in Afghanistan was A. Fedorov, who carried the rank of Minister.

⁴ Sir Laurence Grafftey-Smith.

689.90D3/4-651: Circular airgram

*The Secretary of State to Certain Diplomatic Offices*¹

SECRET

WASHINGTON, April 6, 1951—8:25 a. m.

Reference is made to Recommendation No. 2 under Item III ("Afghan-Pakistan Dispute") considered at the South Asia Regional Conference,² which reads as follows:

"The US should not make any explicit statements, either now or later, with regard to the validity of the Durand Line, or give any

¹ Sent to the Embassies in Pakistan, Afghanistan, India, and Ceylon.

² For the full text of the agreed conclusions and recommendations of the Conference, see p. 1664.

secret assurances thereon. If Pakistan should fail to give an affirmative answer to the present proposals of the US looking toward settlement of the dispute, the latter should not feel compelled to take any further steps in the matter with the parties in the near future." (Underscoring inserted.)

It would appear that the Department might find it suitable and feasible at some future time to make some explicit statement concerning the validity of the Durand Line under certain circumstances (such as intensification of Afghan propaganda regarding the Pushtoonistan question, a particularly serious border incident, or a determined Afghan effort to bring the dispute before an international body, possibly the SC or the ICJ). It would therefore be appreciated if the Embassies, perhaps after mutual consultation, would inform the Department whether or not the consensus of opinion at the South Asia Regional Conference was definitely opposed to either a formal or informal expression of the Department's opinion concerning the validity of the Durand Line in the indeterminate future. If this question is answered affirmatively, the Department would likewise appreciate a careful review of the reasons supporting this conclusion.

ACHESON

689.90D/4-451 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL PRIORITY WASHINGTON, April 6, 1951—8 p. m.

632. From McGhee. Pls make fol pts to Liaquat in reaching clear understanding re timing and nature of talks proposed by US approach and position prospective Afghan Amb relation to such talks:

1. In terms our Nov 6 approach talks wld follow exchange Ambs. Liaquat's suggested procedure (allowing Amb to raise Pushtoon question and giving negative reply) wld be compatible with terms of our approach and wld constitute Pak acceptance only if new Afghan Amb wld be only Afghan Rep with which substance talks is to be discussed. Dept wld be glad consult Kabul on this pt if necessary, however, since it seems certain Afghans wld wish to have several high-level reps for these talks it is hoped original suggestion can be accepted.

2. Under other circumstances (such as conversations between Afghan Amb and Liaquat concerning agenda for subsequent talks in which Afghan Amb might be one of several Afghan Reps) it seems clear that Liaquat's procedure wld in fact establish a "pre-condition" for talks. Therefore we can only regretfully conclude that his suggestion deviates from our approach and does not constitute Pak acceptance. We might be prepared transmit Liaquat suggestion as counter proposal although we frankly doubt Afghans wld accept it.

¹ Repeated for information to Kabul as telegram 250, and to London and New Delhi by air.

3. The essential pt is that Afghans must feel free to raise Pushtoon question in course of the "informal exploratory talks" we have proposed. If Liaquat agrees to this US obligations as "go-between" can soon be discharged and substance talks left to be developed by both parties. In this case Dept wld have no further concern in its capacity as "go-between" with substance Pak reply on any matter to be discussed with Afghans. In its capacity as friend of both parties, however, Dept wld naturally be concerned re best possible outcome for talks and may later make suggestions in this regard.

4. Pls urge Liaquat accept US approach in generous fashion consistent with faith in US good will pointing out that (a) Dept always assumed talks wld not prejudice previous existing positions either Govt on disputed matters; (b) our approach specifically limited publicity re talks except by mutual consent both parties; (c) Dept will use best efforts insure Afghans take no future tactical advantage re talks (although ample safeguards appear provided by (a) and (b) above; (d) McGhee personally convinced that Afghans are now hopeful some good will come of proposed talks even though agreement cannot be reached re Pushtoon issue; (e) USSR only beneficiary continued Afghan-Pak friction (Karachi's 915 Apr 4).

Zafrullah and Mohd Ali remaining New York until informed nomination new UN representative re Kashmir and McGhee intends speak Mohd Ali along above lines. [McGhee.]

ACHESON

689.90D/4-951 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL PRIORITY

KARACHI, April 9, 1951—7 p. m.

933. For McGhee.

(1) In a long discussion with FonSecy this p. m. (your 632 of the 6th) it was agreed he wld bring its 4 points to attention of Prime Minister tonight and request appointment for me tomorrow to have Liaquat's answer.

(2) Ikramullah said the cabinet had sent on April 7 to Zafrullah at Lake Success a draft of Paks reply to the US *démarche* of Nov 6 and hoped to have his comments by tomorrow so the Prime Minister may discuss that also. He intimated the Paks wld accept 3 points of the US *démarche* but on the 4th point wld impose a precondition that Pushtoonistan could not be included in any discussion with the Afghans under point 4 of our approach.

(3) Perhaps I may be able to persuade Liaquat to accept your thinking on para 3 of your tel under reference when I see him especially in view of the fact that Col. Shah now secy of the Pak Ministry of States and Frontier Affairs, and as I reported 6 months ago the probable Amb designate to Afghan, has accepted an invitation from Faiz Mohd to meet in Jalalabad this week and resume last years

confs on problems of common interest to Pak and Afghan. Ikramullah said Col. Shah leaves Karachi tomorrow en route to this meeting and added this is evidence the 2 govts are in contact at a high level in discussing current frictions and pressures.

Department pass London, repeated info Kabul 45, London 57.

WARREN

689.90D/4-1251 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

PRIORITY

KARACHI, April 12, 1951—4 p. m.

942. For McGhee. Prime Minister¹ asked me last night to see him in presence Ikramullah for discussion of Pak-Afghan relations ref Deptel 632 Apr 6, 8 p. m. my 933 Apr 9 and Kabul's 312, 5 p. m., April 12 [9] to Dept.²

1. PM asked why there was confusion concerning his attitude on US *démarche* of Nov 6 as he expressed in his conversation with McGhee and then reiterated that his attitude is unchanged. He said "he is prepared (a) cease attacks on Afghan provide they do same, (b) name an Amb provided they do likewise and (c) place no restriction on Afghan Amb's freedom of discussion on points of difference between two countries, but with prior understanding of US that if Afghan Amb raises subj of Pushtoonistan, the Paks will not discuss it with him nor with any other Afghan rep or reps because Liaquat and his govt consider the Durand line the frontier and tribal admin on the Pak side a matter of exclusively domestic concern".

2. I replied that Mr. McGhee in his tele exchanges on Pushtoonistan since his conversation with the PM has raised the question why Pak considers it necessary to impose a prior condition eliminating Pushtoonistan from any discussion when the language of our *démarche* did not mention issue nor have Afghans mentioned it in their indication of its acceptance. The PM said he desired to make position of his country unequivocally clear to US because Pushtoonistan is only real issue between the two countries and then added "this is my personal attitude. It may well be that in our reply to your *démarche*, which I hope to give you Friday 13th after receiving Zafrullah's comments on suggested language of reply sent him last Saturday³ at Lake Success, there will probably be no ref to Pushtoonistan".

¹ Liaquat Ali Khan.

² Telegram 312, from Kabul, April 9, not printed, described a discussion of April 4 in Kabul among Kennedy, Jandrey, and the Acting Prime Minister, Ali Mohammed. The latter, with reference to the third point of the U.S. approach of November 6, which called for an exchange of ambassadors, stated that he considered such an exchange inadvisable unless exploratory discussions of designated representatives had proceeded favorably. He stated that he desired to avoid the embarrassment which would result from withdrawing the Afghan Ambassador again if the talks were unsuccessful, implying that such withdrawal would be necessary if the Government of Pakistan refused to discuss the Pushtun question. (689.90D/4-951)

³ April 7.

3. I then referred to forthcoming convs at Jalalabad this weekend between Col. Shah as rep of the Paks and Faiz Mohd an unofficial rep of the Afghans and inquired if PM could tell me what instrs he had given Col. Shah. He said Col. Shah had no auth make any commitments, but is instructed to engage in informal and exploratory convs with Faiz Mohd, whereupon I observed that although the PM has expressed his inability to accept the language of point 4 of our *démarche*, he has in fact, not only accepted, but implemented the point 4 undertaking in almost identical instrs to his rep at weekend convs. He replied that my observation required his further thinking and that he wld take it under consideration in framing of his promised reply on Friday to our Nov 6 *démarche*. He then instructed Ikramullah to take note of this point and they both said it wld be considered by their govt.

4. When I inquired how long the conversation at Jalalabad might last, the PM said Col Shah, who left Karachi by train for Afghan the night before, wld probably meet Faiz Mohd on 13th. He added that as both men are naturally cautious, he expected convs wld last several days. He said there wld be no publicity about them and intimated he hopes that US, whatever its attitude, may be on Pak reply to our *démarche* wld not give any immed publicity because of its possible harmful effect on progress of convs. I recommend to Dept that we abstain from any immed publicity even if we consider Pak reply not entirely acceptable.

5. My gen impression as the result of an hour's conv with PM and Ikramullah is that they are seeking language in their reply that will be acceptable to us and at same time will not involve Pak in any interpretation of acquiescence in any future international discussion of Pushtoonistan. Their basic fear appears to be that Afghan, in the event the current efforts to reach a settlement between the two countries shld fail, may try to capitalize on US *démarche* in possible future reference of Pushtoonistan issue to UN.

Dept pass London; sent Dept 942, rptd info Kabul 46, London 59.

WARREN

689.90D3/4-1351

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Relations (Gatewood)*

CONFIDENTIAL

[WASHINGTON,] April 13, 1951.

Subject: Terms of Pakistan's Reply to United States Approach of
November 6 Re Afghan-Pakistan Differences

Participants: Mr. Mohammad Ali, Secretary General to the Paki-
stan Government

Mr. M. O. A. Baig, Pakistan Chargé d'Affaires

Mr. McGhee—NEA

Mr. Gatewood—SOA

Problem:

To persuade the Pakistan Government to reply favorably to our
November 6 approach.

Action required:

To obtain a text of the Pakistan reply that conforms to our original proposals.

Action assigned:

NEA: SOA

Mr. Mohammad Ali called at Mr. McGhee's request to discuss the terms of the Pakistan reply to our November 6 approach.

Referring to the urgent Pakistan desire for a settlement of the Kashmir issue (see a separate memorandum of conversation on this subject of today's date),¹ Mr. McGhee remarked that Pakistan had an excellent opportunity of demonstrating its willingness to reach reasonable solutions to vexing international problems by accepting our November 6 approach. After pointing out that the Pushtoonistan issue was a mere offshoot of the Kashmir problem, Mr. Mohammad Ali said that a Pakistan reply would soon be forthcoming which would attempt to meet the United States approach on all points, indicating that the reply would request a clear understanding that Afghan propaganda for Pushtoonistan should cease and would propose, following an exchange of Ambassadors, that the Government of Pakistan might hold a conference with the Government of Afghanistan to discuss matters of mutual interest, provided such a conference appeared to offer some hope of success.

Mr. McGhee pointed out that our approach had specified that all types of propaganda should cease and said that he did not think the Government of Pakistan was now unwilling to accept the substance of our approach, despite some confusion of thought over the exact functions of the new Afghan Ambassador (i.e., who might be the sole Afghan representative for "informal exploratory discussions" or who might be authorized to discuss the agenda of a future Afghan-Pakistan conference). Mr. McGhee urged Mr. Mohammad Ali to consider that Afghan suspicions would be disarmed if only the Pakistan reply were phrased in the exact terms of our original approach.

Mr. Mohammad Ali promised to cable his government immediately, endorsing Mr. McGhee's suggestion. He explained that the Government of Pakistan wished to agree on some procedure that would result in improved Afghan-Pakistan relations; that it was fearful of building up public confidence in results that might never be achieved; and that, though still doubtful of Afghan willingness to recede from their present stand on Pushtoonistan, he would accept Mr. McGhee's estimate of the conciliatory Afghan attitude.

¹ Not printed.

Mr. McGhee replied that he might be wrong in his estimate of Afghan intentions, but he had conveyed to the Pakistan Prime Minister the remarks of the Afghan Foreign Minister indicating the hope that beneficial results might be obtained from informal discussions, even though all issues were not resolved. He said that time appeared to have worked for Pakistan and, as only the USSR could benefit from continued Afghan-Pakistan differences, he was hopeful that the two governments could reach some measure of agreement.

Editorial Note

On April 14, Pakistani Foreign Secretary Ikramullah sent Ambassador Warren a memorandum containing a three-point reply by his government to the United States approach of November 6, 1950. It stated that (1) the Government of Pakistan agreed to the first two United States proposals of November 6, on the condition that the Government of Afghanistan also agreed to them and ceased its propaganda and other actions in favor of Pushtunistan which constituted attacks on Pakistan's territorial integrity; (2) if Afghanistan accepted and implemented these proposals, Pakistan would be ready to exchange Ambassadors in two months; (3) Pakistan would be prepared for discussion with the Afghan Ambassador on matters of mutual concern, provided Afghanistan continued to cease propaganda and prevent incidents, and Pakistan would be prepared to hold a conference between the two governments if this discussion indicated a conference would be successful.

In a letter to Warren transmitting this memorandum, Ikramullah also commented on the visit to Jalalabad of Colonel A. S. B. Shah, Secretary of the Pakistani Ministry of States and Frontier Affairs, for informal discussions with Faiz Mohammed Khan, former Afghan Minister of Education. Ikramullah recalled that Faiz Mohammed Khan had discussed Afghanistan-Pakistan relations with Colonel Shah while in Karachi in February 1951. Colonel Shah replied that Pakistan was ready to have friendly relations with Afghanistan, provided the latter ceased its Pushtunistan activities. Faiz Mohammed Khan proposed further talks; the Government of Pakistan considered the invitation and, in the interest of promoting friendly relations with Afghanistan, authorized Colonel Shah to meet Faiz Mohammed Khan at Jalalabad. Colonel Shah was expected to reach Jalalabad on April 14, Ikramullah stated, and was instructed by the Government of Pakistan to discuss all matters of mutual concern with the exception of the Pushtunistan question. (Telegram 960 from Karachi, April 14; 689.90D/4-1451)

BS9.90D/4-1651: Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET

Moscow, April 16, 1951—7 p. m.

1819. Deptel 627, April 5, based Karachi's tel to Dept 915, April 4.¹ From scanty info available to us here we would surmise that Sov short-term intentions re Afghanistan are somewhat less carefully defined and perhaps more pragmatic than is case with Sov ME policy generally. Lacking strategic position and oil resources Iran, and not having revolutionary potentialities inherent in more industrially-developed ME nations. Afghanistan as such hardly seems to occupy major place in list Kremlin's immediate objectives in ME.

It is of course obvious that Sovs are always prepared to take fullest advantage of any and all opportunities to embarrass Pakistan, country which Sovs regard as Brit-created monstrosity. However, despite theoretical advantages to Kremlin of pushing Pooshtoonistan issue, official Sov silence up to now suggests hesitancy to disregard reactions in other Muslim countries. In this sense approach of Sov Amb Kabul to Saudi Mins may be attempt to probe attitude Islamic nations, and SA Min's prompt reaction in defense Pak thesis may cause Sovs to avoid taking sides at present juncture.

Clue to Sov thinking on Pooshtoonistan issue may be found in art published in *Questions of History* in 1949² (Emb despatch 746, Dec 2, 1949).³ In bald terms this suggested territorial aggrandizement Afghanistan at expense Pak tribal area, but at same time "return" to USSR of Afghan areas inhabited by Tadjiks, Uzbeks and other peoples majority of whom encompassed USSR. We have not seen this line of thought developed elsewhere, but no doubt it constitutes theoretical Sov position re frontier problems this area. That any such boundary rectification would probably seriously impair continued existence Pak naturally would not constitute obstacle in eyes of Sov planners.

Based on foregoing, we are inclined to believe that "speculative assumptions" Pak Sec Gen, while they may be perfectly correct, are not warranted by slim info now at hand. We doubt whether it is right to postulate that Sov expansionism up to now has been based on limited objective extending to Hindu Kush, any more than that Indus with Karachi now is new frontier Sov expansionist thinking. As indicated first para this tel, we conceive Sov tactics this area to be

¹ Telegram 627, to Moscow, April 5, repeated the text of telegram 915 from Karachi, April 4 (p. 1952), adding the phrase "please comment" (689.90D/4-451).

² I. Reisner, "K voprosu o skladyvanii afganskoi natsii" [On the question of the formation of the Afghan nation], *Voprosy istorii* [Questions of history], No. 7 (July) 1949, p. 66.

³ Not printed.

pragmatic at present time, and we believe they must be considered within framework "sof" [*soft?*] policy outlined Emb despatch 294, Dec 11, 1950.⁴

However, fact that Pak Fon Secy has taken alarm at new Sov interest in Pooshtoonistan issue possibly may be turned to our advantage. If we can bring both Paks and Afghans to realize potential Sov exploitation issue, possibilities greater degree of caution both sides and mutual willingness to reach some form *modus vivendi* may result. We assume Dept already has thought of utilizing this opportunity for informally pressing our views to both parties to dispute.

Dept pass London. Sent Dept 1819 rptd info London 340. Dept pass Karachi 29 and Kabul 12. Dept pouch New Delhi, Tehran and Paris unnumbered.

KIRK

⁴ Despatch 294, from Moscow, December 11, 1950, not printed, reported that there had been in the past several months an apparently sustained effort on the part of the Soviet Government to avoid sharp criticism of Near Eastern Governments, picturing them instead as victims of Western imperialism (761.00/12-1150).

689.90D/4-1851: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, April 18, 1951—1 p. m.

972. I talked with Col. Shah¹ last night immed after his return from the Jalalabad convs with Faiz Mohd ref my 942 Apr 12 to Dept rptd info Kabul 46 and London 59 and Kabul's 312 Apr 9 and 3 to London.² He said they did not get anywhere. The Afghans will not name an Amb nor will they call off Pooshtoonistan campaign. He rejected their suggestion that Pak agree to discuss Pooshtoonistan as condition prior to designation of Amb. He said he is now, as he has been in past, opposed to soft policy of the PM with respect to Afghan. On the other hand he believes it wld be mistake for Paks to attempt to overthrow regime in Kabul because it wld play into hands of Russians. He said Liaquat does not appreciate that most Afghans south of Hindu Kush are fanatical Sunnis and that tribal leaders are more interested in outcome of Kashmir sitn than they are in maintenance of present Kabul regime. His prescription for sitn as between Afghan and Pak is Paks shld buy off Kabul at estimated expense of approximately one crore rupees year and that US shld

¹ This telegram was corrected by telegram 993, from Karachi, April 25, which read as follows: "Person with whom I talked April 17 was Sardar Bahadur Khan, GOP Min of Communications and not Col. Shah as reported Embtel 972, Apr 18. Bahadur Khan remarks to me based on preliminary report from Shah to GOP." (689.90D/4-2551)

² Telegram 312, from Kabul, repeated as 3 to London, April 9, not printed, but see footnote 2, p. 1956.

support arrangement by affirmative declaration on Durand line. He added that Kabul support if subsidized could not be depended upon now any more than in the past when the Brit used it between Wars, but that it is in his opinion the best immed compromise of problem as it stands. He said as Pathan he could speak with some authority because many of his tribe are now living in Aljian and this same tribe was utilized by Brit in overthrowing Amamullah regime and estab present dynasty. In response to question he said he is not interested in appointment as Amb to Kabul where his cousin is Chargé.

Dept pass London. Sent Dept 972, rptd info London 67, Kabul 48.

WARREN

6S9.90D/4-1451 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

SECRET

WASHINGTON, April 18, 1951—6 p. m.

PRIORITY NIACT

661. Embtel 960 Apr 14.² Dept notes Pak reply Nov 6 approach formulated prior receipt report conversation Mohd Ali and McGhee Apr 13 which might have influence GOP phrase its reply more consistently with US proposal.

Dept forced, after careful evaluation, regretfully conclude present reply does not constitute acceptance broad terms Nov 6 approach for fol reasons:

1) Para one restates effect implicit in pts one and two Nov 6 approach in terms unnecessarily offensive Afghan Govt.

2) Para two Dept believes Afghan Govt would view as unacceptable challenge its sincerity new GOP precondition that exch Ambs be postponed until after lapse arbitrary two months "good behavior" period. Dept considers exch Ambs anytime within two mos as permanent constructive step creating climate conducive further negotiations.

3) Para three GOP proposal connects exch Ambs with substantive discussions to point where they arrange agenda. This conflicts our proposal which specified discussions without agenda or preconditions, exch Ambs being procedural, psychological factor and preceding substantive talks.

It appears GOP may either:

(a) Rephrase reply in light Mohd Ali-McGhee talks.

(b) Accept unconditionally first three pts US approach (as GOP apparently ready to do in March) in which case Pak concept re talks (to be carried on through diplomatic channels after exch Ambs) would constitute counter-proposal to US fourth point which Dept

¹ Repeated for information to Kabul as telegram 258, to London as 4760, and to New Delhi by air.

² Not printed, but see the editorial note, p. 1959.

would be willing submit Afghans though most doubtful their acceptance.

(c) If present reply GOP last word Dept must withdraw approach and end attempts act as informal go-between.

Afghan PriMin together with Najibullah Khan, Amb to India, will talk with Secy Apr 23 and Dept considers desirable that final Pak reply be available by then so Afghans can be informed.

ACHESON

689.90D3/4-2151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, April 21, 1951—11 a. m.

2913. Ciragam April 6, 8:25 a m and Karachi tel 964 to Dept Apr 16.¹ Altho dispute over Durand Line primarily between Pak and Afghan, GOI considers itself to have interest on historical grounds and because kind and method settlement of, prolongation of, dispute might have deep effect upon situation through all SOA. As Dept aware GOI gen position is Durand Line not necessarily frontier between Afghan and Pak and question frontier shld be settled amicably by discussion between Pak and Afghan. From this vantage point it seems to us status Durand Line shld be regarded by US as more of judicial than polit dispute and that unless some distinctly constructive purpose can be achieved it wld be preferable in absence judgment by some internatl tribunal for US Govt which has no historical connection with dispute not to issue statement recognizing Durand Line as border. Embs Kabul and Karachi better position than we to judge what effects such statement wld have on Afghan and Pak. We have however, no info here which wld cause us believe such statement wld induce Afghan cease agitation. In fact we concerned lest statement cause Afghan to act even more irresponsibly since it might no longer be subject our present restraining influence. In India such statement wld probably be regarded as another example "US power politics" in SOA.

2. If info Dept's disposal now or at later date shld indicate such statement by US wld be helpful in relieving tension over Durand Line its issuance wld of course serve constructive purpose and wld seem advisable regardless of probably unfavorable reception in India.

Dept pass London. Sent Dept 2913; rptd Kabul 24, Karachi 98, London 124.

HENDERSON

¹ Telegram 964, from Karachi, April 16, not printed, asked the Department, in connection with its circular airgram of April 6, p. 1953, to suggest the time and place for consultation with a representative of the Embassy concerning the future possibility of a U.S. statement on the Durand Line (689.90D3/4-1651).

689.90D/4-2151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET NIACT

KARACHI, April 21, 1951—2 p. m.

988. For McGhee. Re Embs 960, Apr 14.¹ PriMin in conversation this p. m. hoped his reply ref Deptel 661, Apr 18 wld be considered as an acceptance of the US Nov 6 *démarche* and regretted its unfavorable reception. After lengthy discussion based largely on his recollection of conversation with McGhee and an exposition of the points in Deptel under ref, the PriMin authorized me to say his govt accepts para 3 (b) of Dept's proposal, i.e. Pak accepts unconditionally first three points of US approach of Nov 6 and reaffirms its attitude on point four of the Nov 6 approach as expressed in its memo of Apr 14.

Shld the Dept still consider this reaffirmation a counterproposal he nevertheless wld be pleased to have the Dept submit it to the Afghans and wld welcome the Dept's indication of their reaction to it.

WARREN

¹ Not printed, but see the editorial note, p. 1959.

789.13/4-2351

Memorandum by the Secretary of State to the President

CONFIDENTIAL

[WASHINGTON,] April 23, 1951.

Subject: Call by the Prime Minister of Afghanistan, His Royal Highness Sardar Shah Mahmud Khan, on April 24, 1951

The Prime Minister previously called upon you on August 8, 1947. Then and subsequently Afghanistan has sought US aid in efforts toward social and economic progress. US-Afghan relations have been increasingly cordial and the US raised its diplomatic mission in Kabul from a Legation to an Embassy in 1948.¹ Numerous American educators and technical experts and some private firms have worked in Afghanistan and the number of Afghan students in the US has increased. An Export-Import Bank credit of \$21 million has been advanced to supplement equivalent and earlier Afghan outlays for the construction of roads, dams and irrigation projects. The American firm of Morrison-Knudson is currently engaged in developing the resources of the Helmand River in southwest Afghanistan.

Throughout the Prime Minister's tenure of office, the government has been stable and has resisted Communist influence, notwithstanding the country's vulnerable geographic and economic position. There have been indications recently of unrest in Afghanistan which might

¹ For documentation on the raising of the U.S. Legation in Afghanistan to the status of Embassy, see *Foreign Relations*, 1948, vol. v, Part 1, p. 488.

cause some Cabinet shifts, possibly affecting the Prime Minister; but we do not expect this to result in any diminished stability of the government.

Afghanistan has contributed to our objective of promoting stable conditions in South Asia by cooperating with an international technical commission established through US good offices to study a 75-year old boundary-water dispute with Iran.² Our efforts to promote amicable bilateral negotiations with respect to differences concerning the tribes along the Afghan-Pakistan border, a local issue which could endanger regional security, have not been successful. We still hope, however, to encourage moderate Afghan elements, of whom the Prime Minister is a representative, to bring about a settlement of this serious issue.

The Prime Minister may express Afghanistan's interest in obtaining US technical, economic and military aid. While you may wish to indicate the limitations of the ability of the US to furnish military assistance, it appears suitable for you to stress our continuing reliance on the UN and its individual members to promote collective security and to state that, following the successful utilization of present financial and technical aid, we should be able to give sympathetic consideration to further Afghan needs of this kind.

The Prime Minister will be accompanied by the Minister Chargé d'Affaires of Afghanistan, Abdul Hamid Aziz.

The Prime Minister may be addressed as Mr. Prime Minister or as Your Royal Highness.

DEAN ACHESON

² See the editorial note on the interest of the United States in resolving the dispute between Afghanistan and Iran regarding distribution of the waters of the Helmand River, *Foreign Relations*, 1950, vol. v, p. 1459.

789.13/4-2351

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] April 23, 1951.

Subject: Interview with Afghan Prime Minister

Participants: Sardar Shah Mahmud Khan—Prime Minister of
Afghanistan

Abdul Hamid Aziz—Chargé d'Affaires, Embassy of
Afghanistan

The Secretary

Mr. McGhee—Assistant Secretary

Mr. Mathews—Director, Office of South Asian Affairs

After appropriate remarks of courtesy, the Prime Minister referred to this Government's proposal of November 6, 1950 to the Govern-

ments of Afghanistan and Pakistan looking toward an improvement of relations between them. He pointed out that his Government was deeply grateful for the interest which the United States had shown and had accepted our proposal promptly. There has, unhappily, been no reply from Pakistan. I said that we had just received Pakistan's answer. The Government of Pakistan accepted the first three points of our proposal relating to the prevention of propaganda, the prevention of incidents among the tribes, and the exchange of Ambassadors. With respect to the fourth point, which proposed a meeting of representatives of the two governments without an agenda or preconditions, Pakistan had indicated that it would be prepared to participate in such a meeting if prior discussions through the newly appointed Ambassadors showed that the meeting would be fruitful. Mr. McGhee commented that as this departed to some extent from our original proposal, we could not consider the Pakistan reply an acceptance of our proposal unless the Afghan Government were disposed to accept the Pakistan counter-suggestion.

The Prime Minister remarked that his Government had exchanged Ambassadors with Pakistan before but that discussions through these regular diplomatic channels had been without avail. He feared, therefore, that the Pakistan counter-proposal would lead to the same unsatisfactory situation with the result that the Ambassadors would have to be withdrawn and that there would be no lasting improvement in Afghan-Pakistan relations. He stated that although he was Prime Minister, he could not by himself indicate whether his Government would or would not find the Pakistan counter-proposal acceptable. It would have to be carefully considered by the Afghan Cabinet. I said that the Department was transmitting the Pakistan reply to Kabul in order that our Embassy might transmit it to his Government.

Mr. McGhee urged that the Afghan Government give very careful consideration to the Pakistan counter-proposal. It was not too far removed from our original suggestion and since both governments were in agreement as to the first three points of that suggestion, it would be unfortunate if this measure of progress were lost. The Prime Minister indicated that he would pass these comments on to his colleague, the Acting Prime Minister and Foreign Minister, and remarked that we might now be embarking upon a period of bargaining between Kabul and Karachi which could be time-consuming.

In more general discussion of the Pushtoonistan issue, the Prime Minister emphasized that he was speaking not only for himself and his government, but for all the people of Afghanistan. They felt very strongly that their 4 to 4½ million Pathan brethren in Pakistan should have the right to determine their own future. He warned me that

Pakistan could never be strong as long as these unwilling people were kept within its borders. On the other hand, if there were a free Push-toonistan the peoples of that nation and of Afghanistan would be a solid bulwark against the threat from the north. He urged that I think on these things and I said that I would do so.

The Prime Minister expressed the gratitude of his Government and his people for the loan extended to Afghanistan by the Export-Import Bank.¹ He went on to say that Afghanistan looked to the United States as a stronger and richer brother which would help his poor country along the road to self-reliance. The Afghan people were strong and his country had many resources, but it needed outside help to develop itself. He hoped that the United States would provide the necessary assistance; if it did, it could rely upon the loyal support of Afghanistan. I assured the Prime Minister that we were interested in the progress of his country.

¹ Reference is to a recent loan of \$21,000,000.

689.90D/4-2351 : Telegram

The Secretary of State to the Embassy in Pakistan ¹

CONFIDENTIAL
PRIORITY

WASHINGTON, April 23, 1951—7 p. m.

676. Embtel 988 Apr 21. Secy informed Afghan PriMin Apr 23 re Pak counter-proposal. PriMin made no commitment and was told Dept wld transmit Pak suggestions to Kabul. As exact wording para 3 Pak memo Apr 14 is believed likely offend Afghans Dept suggests fol text: "GOP prepared accept unconditionally first three points US approach Nov 6. GOP also ready discuss through dipl channels after exchange ambs all matters of common concern. If these discussions indicate conference between two govts wld be fruitful, GOP prepared to hold such conference."

FYI Pak memo appears assume Karachi will be seat discussions, although there wld be new Pak amb to Kabul who might also assist in exchange of views.

Pls inform FonOff although Dept still considers Pak attitude toward fourth point US approach constitutes counter-proposal, it is hoped GOP can promptly agree above phrasing so GOA may be informed. When clearance obtained from FonOff inform Dept and Kabul. Latter shld immed transmit agreed text to GOA.

FYI Najibullah did not call on any Brit or US officials in London although issued statement to Press Trust India there (Embtel 985

¹ Repeated for information to Kabul, London, and New Delhi.

Apr 21).² He is expected talk with McGhee this week and was not present PriMin talk with Secy.

ACHESON

² Not printed.

689.90D/4-2151 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, April 25, 1951—8 p. m.

1000. In two conversations today with Ikramullah and one with Dr. Mahmud Husain, Min of States and Frontier Regions who is acting for Prime Minister, it was agreed that text of GOP's reply to our approach as contained in Deptel 676, Apr 23 shld be telegraphed to Prime Minister now in Peshwar this week. Mahmud Husain is recommending to Prime Minister acceptance of textual language. As soon as reply has been recd Ikramullah promises to inform me immed.

WARREN

689.90D/5-651 : Telegram

The Chargé in Afghanistan (Jandrey) to the Secretary of State

CONFIDENTIAL

KABUL, May 6, 1951—3 p. m.

339. Col Shah returning Karachi shortly as personal talks with Faiz Mohd now require consultation with GOP re extent willingness accept Afghan viewpoint especially necessity discuss tribal area.

Shah said Afghan viewpoint as follows: NWFP and tribal area taken by force Brit arms; Afghans always vitally interested this area with its people of Afghan blood and apparent acceptance Durand Line was matter duress; Afghan Govt deeply resents unfulfilled Brit promised discuss tribes at time partition and unwilling accept GOP contention Pathans freely chose to be part new Pak.

Shah said Pak viewpoint was: Backbone formation Pak was brotherhood Islamic peoples who were consulted before creation Pak; sovereignty issue therefore cannot arise. Shah alleges regret inability convince Afghans necessity cease all propaganda and appoint Ambassadors but he sees four accomplishments: (1) Creation favorable atmosphere for talks, (2) release accumulated tension and suppressed ideas, (3) better understanding viewpoints, (4) door definitely remains open.

Despite desire both sides reach settlement they are convinced no loss prestige internally. If GOP concedes point by discussing tribal affairs, formula must be devised giving nominal recognition to Afghan Govt interest such affairs without real change status.

Karachi can evaluate impression Shah tried leave with me of reasonableness and desire convince GOP agreement not beyond hope, especially if he can bring Liaquat and Shah Mahmud together.

Sent Dept 339, rptd info Karachi 32.

JANDREX

689.90D/5-1051 : Telegram

*The Secretary of State to the Embassy in Afghanistan*¹

CONFIDENTIAL

WASHINGTON, May 10, 1951—7 p. m.

276. Since Apr 30 Brit Emb has several times inquired whether Dept willing encourage Afghan PriMin return promptly Kabul as this seemed desirable connection Acting PriMin talks with Colonel Shah and internal polit situation. Move appeared originate either Brit Emb Kabul or Brit FonOff or both and possibly result GOP suggestion.

PriMin's announced plans (fol his talks with Najibullah) provide departure US not earlier than June 15 by ship via UK and Pak arriving Kabul possibly early Aug.

Dept responded negatively Brit suggestion on fol grounds: (1) Somewhat tactless intervene known Afghan plans; (2) PriMin unable reach Kabul in time affect results Shah conversations; (3) without Pak reply suggested revision its counterproposal no clear line Dept cld suggest PriMin pursue if returning immed; (4) urging return might produce unwarranted assumption by Afghans Dept moving toward support Afghan position.

FYI PriMin's views internal situation probably already registered since this purpose Najibullah visit.

Dept undertook reconsider above position in event subsequent developments might clearly indicate desirability PriMin's return.

Brit inquired if Dept willing press Afghans in event GOP showed willingness talk with GOA re control welfare tribes in return for Afghan admission Durand Line valid boundary Pak and were informed premature now attempt assess this hypothetical situation.

Brit also informed that Dept might be forced cease exercise good offices in case GOP response tantamount to rejection Nov 6 approach or if containing terms not acceptable GOA.

FYI GOA possibly deliberately delaying PriMin's return as re serve factor for use future contingency. Pls comment re foregoing without direct efforts ascertain Brit motives.²

ACHESON

¹ Repeated for information to Karachi as 724 and to London as 5156.

² In telegram 349, from Kabul, May 14, not printed, the Embassy in Afghanistan replied that it fully agreed with the Department's position as outlined in the above telegram (689.90D/5-1451).

689.90D/5-1551 : Telegram

The Chargé in Afghanistan (Jandrey) to the Secretary of State

CONFIDENTIAL

KABUL, May 15, 1951—noon.

353. Pass CSGID. Under Secretary Fon Off¹ called Brit, Indian, Sov and Amer Embassies today to inform them that 5,000 regular Pak troops composed of army and militia are being brought up to Baqi post area on Baluchistan border with tanks, guns and ammunition. Under Secretary did not indicate that Pak troops had as yet attacked Afghans. Press has reported capture of 25 more Pak troops in border area four or five days ago.

Comment: Emb believes Afghan Govt's intention is to publicize threatened aggression in order win support in case of border disturbance.

JANDREY

¹ Abdul Samad Khan, First Undersecretary of the Royal Afghan Ministry of Foreign Affairs.

Editorial Note

On May 16, Foreign Secretary Ikramullah handed Ambassador Warren a memorandum dated May 15 in which the Government of Pakistan stated that it accepted the first three points of the United States approach of November 6, 1950; that it was ready to discuss matters of common concern with the Afghan Ambassador; and that it would be ready to hold a conference if the discussions indicated that a conference would be productive. In a covering letter, also dated May 15, Ikramullah referred to interviews between Warren and the Prime Minister on April 23 (no meeting of that date was reported to the Department of State by Warren; the reference was presumably to the meeting of April 21, as reported in telegram 988 from Karachi, page 1964) and between Warren and Ikramullah on April 25 (see telegram 1000 from Karachi, page 1968). The Foreign Secretary requested Warren to confirm the latter's statements in those interviews (a) that it was unnecessary for Pakistan specifically to refer to the cessation of pro-Pushtunist propaganda and activities because these were covered by the first two points of the United States approach of November 6, and (b) that the United States would regard as a breach of agreement any continued pro-Pushtunist propaganda and activity on the part of the Afghan Government. On the strength of these assurances, Ikramullah stated, the Pakistani Prime Minister had agreed to accept the first three points of the United States approach of November 6; with respect to the fourth point, Pakistan's reply had been changed in accordance with Warren's suggestions of April 25. The

texts of the Pakistani memorandum and covering letter of May 15 were sent to the Department of State in telegram 1077 from Karachi, May 16 (689.90D/5-1651).

689.90D/5-1851 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, May 18, 1951—7 p. m.

755. Emb Karachi shld inform FonOff re first para its May 15 letter that Dept wld be seriously concerned over any offensive propaganda or activities originating in either country fol acceptance first two points Nov 6 approach as this wld be inconsistent with bona fide implementation these points; however, Dept cld not agree with interpretation as spelled out Ikramullah letter since by implication this wld constitute Dept arbiter agreement between GOP and GOA and result continuing role as judge possible violations. This obviously outside US role go-between.

Dept still believes Pak memo May 15 represents counterproposal to Nov 6 approach and anticipates GOA rejection, particularly in view apparent Pak insistence that differences be discussed only with new Afghan Amb Karachi and not by new Pak Amb Kabul. In conveying substance foregoing to FonOff Emb may state that, if GOP desires memo transmitted GOA without further change, Emb will so inform Emb Kabul.

ACHESON

¹ Repeated to Kabul as telegram 282 and to London by air.

689.90D/5-1951 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET NIACT

KARACHI, May 19, 1951—1 p. m.

1094. FonMin called me last evening and on arrival said he had also asked UK HICOM to be present for estimate of Afghan-Pak border sitn in vicinity Chaman and Kandahar that is rapidly becoming inflammatory ref my 1086 May 18¹ and Kabul's 357 May 16 to Dept.²

¹ Telegram 1086, from Karachi, May 18, not printed, contained in part a report from the Pakistan Ministry of Defense that, with reference to Afghan allegations that 5,000 regular Pakistan troops were now based on the Baluchistan border with tanks, guns, and ammunition, the actual fact was that the Ministry had ordered one troop of seven armored cars to Chaman to safeguard villages against further raids. (689.90D/5-1851)

² Telegram 357, from Kabul, May 16, not printed, reported in part that Afghan allegations of substantial troop reinforcements on the Baluchistan border were unconfirmed and that such reports were motivated by the desire of Afghanistan to win support abroad for its case regarding Pushtunistan (689.90D/5-1651).

A week of relative quiet followed the Afghan raids May 5. Now Pak MilAtt at Kabul reported on May 14 the Afghan-Kandahar garrison reinforced by three brigades including artillery and some aircraft and at same time reserves were alerted from Kabul to extent of three brigades. Machine guns, automatic rifles and other weapons from Kabul ordnance depot have been released to equip them. Pak vice consul Kandahar yesterday was made object of public anti-Pak demonstration. With prospect that Daud³ may proceed from Kabul to Kandahar this weekend Paks feel sitn may get out of hand.

FonMin said Paks as measure of defense have moved from Quetta towards Chaman a reinforced brigade which is the total of regular armed forces stationed in Baluchistan. Yesterday they flew a squadron (12) Furies to Quetta. Troops are instructed not to cross border nor fire into Afghan territory.

In opinion FonMin these concentrations along immed border between the two countries, not in so-called Pooshtoonistan area where there is a buffer of tribal territory, has no obvious explanation. He said it may be a bid for power by Daud, or it may be that Kabul, having been informed that Pak accepts the provisions of US *démarche* of Nov 6 in its first three phases, realizes the Pooshtoonistan issue is dead unless border incidents between the two countries become sufficiently significant to invite UN cognizance of sitn ref Kabul's 353 to Dept, in which case the Pooshtoonistan issue could be introduced as an element of irritation between the two countries. This thinking was not advanced by Zafrullah but was subj of triangular discussion between three of us.

Zafrullah said his purpose in seeing us was (1) to acquaint us with facts as they appear from Pak side and with Pak defense measures; (2) to invite US and UK to send their senior MilAtt to Chaman outpost on border where they could readily determine what defensive measures Pak has taken as well as attitudes of villages that have been subj to raids in the last month.

After I had remarked that adjacent concentrations on the Kandahar plain were dangerous and shld be dissipated soonest, Grafftey-Smith offered the proposal, to which I subscribe, that Zafrullah ask PM in his capacity as Defense Min (1) to tell us Pak prepared inform Afghan that it considers sitn has element of danger to peace between two countries and (2) Pak is prepared withdraw immed ground troops it has moved into area as measure of defense if Afghans take similar measures with ref their concentration in Kandahar.

Zafrullah concurred with suggestion. Said he wld take up with PM and ask for cab mtg and if approved wld let us know immed.

³ Mohammad Daud Khan, Commander in Chief of the Afghan Central Forces and Military Schools.

In event PM accepts our suggestions I recommend to Dept a further step; Paks wld welcome presence of US and UK senior MilAtts to verify facts of withdrawal of its forces at threatened point on border and wld be glad if Kabul could make similar arrangements with US and UK MilAtts in Afghan who wld determine facts of withdrawal of Afghan forces on their side.

Dept pass London. Sent Dept 1094, rptd info London 73, Kabul 56.
Dept pls pass Army.

WARREN

689.90D/5-2051 : Telegram

The Chargé in Afghanistan (Horner) to the Secretary of State

SECRET

KABUL, May 20, 1951—5 p. m.

367. Fully concur with proposal made (Karachi tel to Dept 1094 May 19) to effect that Paks and Afghans should agree to withdraw ground troops on either side Kandahar-Baluchi border, and that US and UK MilAtts Karachi and Kabul shld make survey both sides frontier. However, we wish point out possibility that Afghans may be disinclined to accept UK MA's as impartial witnesses on ground UK has been directly responsible for Pak's alleged aggressive policy. We shld anticipate possible Afghan counter-proposal to broaden observer group, and shld not be caught unawares by possible inclusion Sov MA's (obviously Afghan Govt bringing Sovs into picture wld be highly undesirable). We further agree, as indicated Embtel 357 May 16,¹ that continuance present inflamed situation constitutes real danger to peace of area, and that energetic measures our part are called for. In this regard, we note no diminution strongly-worded Afghan press and radio campaign directed not only against Pak but incidentally accusing UK of pro-Pak attitude and actions. This has reached point where "spontaneous demonstration" are being held in schools, obviously wholly engineered and inspired by regime. Consequently, time has perhaps come when we shld be prepared to deliver firm warning to GOA that this type irresponsible agitation can only be regarded by US as indicating Afghan failure to comprehend real issues at stake and attendant dangers armed conflict. In sum, we feel "neutral" position we hitherto have taken on so-called "Pushtoon" issue may have to give way to stand perhaps more in keeping with current trend developments.

Dept pass London, rptd info London 8087, Karachi 38.

HORNER

¹ See footnote 2, *supra*.

689.90D/5-2051 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

SECRET PRIORITY

WASHINGTON, May 21, 1951—7 p. m.

766. Karachi's tel 1097 May 20.² Embs Karachi and Kabul instructed provided UK reps have received similar instrs to express serious concern with present inflammatory sit and to request FonOff, as evidence GOP (Afghan) desire for peaceful solution, to adjust troop disposition to that prior May 1, provided GOA (Pak) agrees to simultaneous dispersal its troop concentration in adjoining border areas.

FYI Karachi: GOP note to GOA appears inconsistent with FonMin instrs to GOP Chargé at Kabul to offer (Embtel 1096, May 20)³ withdrawal all GOP forces beyond normal limits of garrison at Chaman. Why did Paks make no ref to Afghan reported willingness (London's tel 6031, May 19) to withdraw if GOP withdrew their forces from frontier?⁴

ACHESON

¹ Repeated priority to Kabul as 284 and to London as 5364.

² Telegram 1097, from Karachi, May 20, not printed, contained the undated text of a note sent by the Pakistani Government to the Afghan Government concerning the situation on their common border. It also contained the recommendation of Ambassador Warren that the Department consult with the United Kingdom and that the United States and United Kingdom direct their representatives in Karachi to ask the Pakistanis, as evidence of their desire for a peaceful solution to an inflammatory situation, to adjust their troop disposition to that prior to May 1, provided the Afghan Government agreed simultaneously to the dispersal of the Kandahar reserve brigade. Similar instructions would be sent to Kabul. (689.90D/5-2051)

³ Telegram 1096, from Karachi, May 20, not printed, reported in part that Zafrulla had instructed the Pakistan Chargé at Kabul to inform the Afghan Government that the Government of Pakistan considered the troop concentration in the Chaman-Kandahar area to be potentially dangerous and offering to withdraw the forces of Pakistan provided Afghanistan would do the same (689.90D/5-2051).

⁴ Telegram 6031, from London, May 19, not printed, in part related a report to this effect received in the British Foreign Office from the British representative in Karachi (689.90D3/5-1951).

689.90D/5-2351 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, May 23, 1951—noon.

1109. I conveyed to FonMin yesterday afternoon Dept's position re para 1 Ikramullah ltr, May 15, Deptel 755, May 18. Zafrulla said it was not in his opinion intention GOP to project US as arbiter of agreement but only to satisfy itself as to Dept attitude shld GOA persist in

its proPushtoonistan propaganda. I reiterated sense of first sentence ref Deptel and Zafrulla said he wld clarify matter with PM.

Re memo May 15 Zafrulla said it was not his understanding that GOP intended to preclude Pak Amb at Kabul from discussing matters of common concern and that he wld also clarify this understanding with PM.

Zafrulla then expressed hope that we wld now come to final agreement on text of Pak acceptance and suggested that that shld be the case assuming PM confirms his (Zafrulla's) understanding of GOP intent as expressed above.

I recommend to Dept that if PM approves Zafrulla's statement of intent and understanding on both points raised ref Deptel that we tell GOP that their May 15 memo will be transmitted to GOA as constituting Pak acceptance our *démarche*.

Dept pass London; sent Dept 1109, rptd info Kabul 60, London 78.

WARREN

689.90D3/5-2451 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL PRIORITY WASHINGTON, May 24, 1951—7 p. m.

785. Dept believes impossible delay longer informing Afghan Govt re Pak position Nov 16 [6] approach and proposes two alternatives: (a) Transmit Pak memo May 15 (first para Embtel 1077 May 16) informing GOA this in our view a counter proposal or (b) inform GOA that GOP has not found it possible accept by this date Nov 16 [6] proposal and therefore our suggestion is hereby withdrawn. GOP wld be informed at same time this withdrawal.

Dept desires Pak indication which alternative it prefers by May 29 but believes it will be necessary to proceed in accordance with (b) if no reply received by that date.

Position of US in offering its Good Offices inconsistent with proposed exchange of letters involving any agreement or understanding on part of US and therefore unable accept Pak letter of May 15 even with clarifications.

Dept believes it wld be helpful if it cld inform if memo transmitted GOA that GOP by language its memo did not intend preclude Pak Amb Kabul discussing matters of common concern.

Inform Dept soonest. Kabul to be instructed by Dept.

ACHESON

¹ Repeated for information to Kabul as 290 priority, and to London by air.

689.90D/5-2051 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

SECRET

PRIORITY

WASHINGTON, May 26, 1951—5 p. m.

792. In light present info Dept unable understand fol (1) Def Secy view (Embtel 1086, May 18)² that border raids have no special significance and FonMin report (Embtel 1094, May 19) that sit becoming inflammatory; (2) GOP declaration of maintaining normal defense positions about Chaman border while it describes concentrations composed of armored squadron from Kohat and planes from Rawalpindi; (3) GOP ref (Embtel 1097, May 20) to maintaining its "normal mil strength stationed in these areas in previous years" and recent decisions after careful consideration to revert to the sound "defense arrangements in Shelabagh-Chaman area before partition"; (4) GOP FonMin concurred your suggestion for simultaneous withdrawal GOP-GOA border forces (Embtel 1096, May 20) but GOP note requested only GOA withdrawal; and (5) Pak charge Kabul had recd no instrs at all re troop withdrawals by evening May 24 (Kabul's tel 373).³

GOP actions seem to indicate (1) GOP has lost faith in utility any bilateral negot before demonstrating its own mil strength to GOA and its firm intention stopping Afghan border raids; (2) GOP believes US and UK can take no action to prevent Pak make such demonstration and will not take strong line in view US-UK desire for Pak support on larger issues; and (3) GOP taking up position to overturn present GOA if any mil move in Kashmir becomes nec (re Ikramullah-Kennedy conversation last Apr). Last conjecture may be supported if Emb can ascertain whether new Pak defense policy applies to whole frontier and whether additional troop movements have taken place in Lahore, Rawalpindi, and Peshawar areas.

Emb comments desired soonest re above and re (1) reason for GOP additional implementation at this time (by forward troop movements) of decision that prepartition defense positions were sound; and (2) indications possible relation troop movement and GOP attitude to Nov 6 approach.

¹ Repeated to Kabul for information as 293 and to London as 5503.

² Telegram 1086, from Karachi, May 18, not printed, but see footnote 1 to telegram 1094 from Karachi, May 19, p. 1971.

³ Telegram 373, from Kabul, May 24, not printed, reported in part that even before the Pakistani Chargé in Kabul had delivered a note to the Afghan Government on the border situation, the Afghan Government had put forth a proposal for joint and simultaneous troop withdrawals. Since the Pakistani Chargé in Kabul had received no instructions on troop withdrawals by May 24, the Embassy recommended in telegram 373 that the Government of Pakistan be prevailed upon to undertake negotiations promptly with Afghanistan. (689.90D/5-2451)

Dept presumes GOP has been further urged accept simultaneous withdrawal per Kabul's 373, May 24, but if not suggests this be done after consultation UK HICOM.

ACHESON

889.90D3/5-2551 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, May 28, 1951—7 p. m.

798. Apparently some misconception re US position Nov 6 approach (Embtel 1126 May 25).² Position repeatedly stated Dept unwilling at this stage do more than bring govts together. GOP seemingly unwilling accept this fact as evidenced by efforts achieve GOP-US understanding by letter despite US statement that very basis its proffer of Good Offices is absence any preconditions. GOA has accepted in good faith Nov 6 proposal and all Dept can do is inform GOA of GOP position. Since evident GOP will not accept original US approach, remaining alternatives are rejection or counterproposal (Deptel 785 May 24). Dept has been interested in clarifying GOP proposal and minimizing possible irritation to GOA but has always believed that it was counterproposal and said wld so state to GOA. New tension GOA-GOP relations because of recent troop movements probably makes urgent action reply Nov 6 proposal less desirable at this time.

Emb instructed (1) inform GOP soonest, if not already done. Dept of opinion GOP putting forward counterproposal which wld have to be transmitted to GOA as such; (2) at same time advise GOP Dept wld of course continue have obvious interest in status Afghan-Pakistan relations as in past. In this connection Emb note original proposal (Deptel 228 Nov 2)³ which stated US position that Afghan-Pak differences cld and shld be settled by direct negotiation govts involved and that US role limited to bringing parties together. US position does not now include any responsibility for proper observance of agreement.

In its discretion as to time, Emb shld present alternatives to GOP as contained Deptel 785 May 24 with short deadline thereafter for reply. Dept wld then instruct Kabul.

¹ Repeated for information to Kabul as telegram 295 and to London as 5523.

² Telegram 1126, from Karachi, May 25, not printed, included the text of a memorandum from the Government of Pakistan which had been transmitted to the Embassy under cover of a personal note from the Foreign Minister dated May 25. The memorandum in part sought assurances that the U.S. Government would have a "continuing interest in the proper observance" of the proposed agreement between Afghanistan and Pakistan, which would be based mainly on the U.S. approach of November 6. (689.90D3/5-2551)

³ Telegram 228, to Karachi, November 2, 1950, is the same as telegram 117, to Kabul, printed in *Foreign Relations*, 1950, vol. v, p. 1455.

Dept of opinion any counterproposal useless if Pak's do not agree on withdrawal of troops (Deptel 766 May 21); wld therefore proceed withdrawal Nov 6 proposal.

ACHESON

689.90D3/6-151: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, June 1, 1951—10 a. m.

1151. 1. It is evident now, in view of revealed Pak decision taken on May 9 to adopt defensive positions (Embtel 1107, May 22),¹ that Defense Secy gave me different interpretation of the then developing sitn of which border raids were only a factor, than that which GOP actually entertained. Similarly MilAtt recd incomplete picture from Pak mil authorities while defense deployment was being carried out. Significantly it was only after deployment was completed that FonMin called UK HICOM and myself to present estimate of sitn, and likewise MilAtt was freely given order and timing Pak troop movements after they were completed.

2. It is further evident that despite Pak allegations and ambiguities actual recent additions to strength in areas in question are squadron of eight planes from Peshawar, one infantry battalion from Rawalpindi and about 12 armored cars. Pak motives for lack of forthrightness in describing troop movements and reason therefore are not clear. Motive for secretiveness is made less clear since additional strength moved into affected area is not substantial, units are deployed defensively and Paks have nothing to fear from Afghan mil machine. Dept perhaps correct in conjecture that GOP has lost faith in usefulness bilateral negotiations with Afghans and decided instead to "rattle the sabre" for effect it may have on stopping border raids as well as on making Daud think twice before taking precipitant action.

It may be giving Paks too much credit for global thinking in connection this particular sitn to project considerations probable attitude US and UK. But if such considerations were undertaken it is likely that GOP cld conclude along lines suggested in Dept's second conjecture.

Third conjecture seems unlikely. Defense Secy informed MilAtt today that no troop movements have taken place in Lahore, Rawalpindi or Peshawar.

Emb has recd no clue in conversations with PriMin, FonMin, and others of a relationship between troop movements and GOP attitude toward Nov 6 approach. Fact is, however, that Pak's reluctance to

¹ Telegram 1107, from Karachi, May 22, not printed, contained information on Pakistani troop movements (689.90D3/5-2251).

accept unconditionally our Nov offer is now matched by parallel refusal to accept GOP offer simultaneous withdrawal troops without imposing unilateral conditions.

3. Discrepancy between FonMin's statement to me that GOP wld offer simultaneous withdrawal (Embtel 1096, May 20)² and actual offer probably based on my misunderstanding Zafrullah's precise meaning. Paks did not then nor do they now consider their recent troop dispersal in Chaman area to be abnormal in strength, whereas they regard Afghan concentration around Kandahar as "dangerous". Hence Pak request for unilateral withdrawal.

It is opinion of Emb, supported by MilAtt, that pattern troop deployment in Baluchistan at present date is one of defense only and that Paks have no offensive designs.

Dept pass London Kabul. Rtpd info London 86, Kabul 67.

WARREN

² Telegram 1096, from Karachi, May 20, not printed, but see footnote 3, p. 1974.

689.90D/6-151 : Telegram

*The Secretary of State to the Embassy in Afghanistan*¹

SECRET

PRIORITY

WASHINGTON, June 1, 1951—6 p. m.

300. McGhee told PM in NY May 30 that Dept seriously concerned re troop movements approx same size (5,000 men) on either side border; that GOA had proposed to GOP simultaneous withdrawal troops, which US-UK reps (independently of GOA) had urged upon GOP; that despite moderating influence Acting PM several anti-Pak demonstrations had occurred Kabul; that apparently Daud unwilling control these disorders, which might well be followed by additional border incidents; that Daud had told Emb Afghanistan might be forced call USSR its aid; and text GOP reply to Nov 6 approach not yet recd. McGhee expressed hope PM might be able return Kabul sooner than intended perhaps arriving during Ramazan.

PM agreed he wld return Kabul soonest by sea as he cld only travel short distances by air. He said we shld not be concerned with Daud's reference to USSR (which presented threat all Afghans understood) and that Daud not of nature assume responsibility for polit maneuvers we feared (seizure of power and aggravation border incidents).

Dept informed Afghan Chargé May 31 substance this talk except for PM's last comment re Daud's polit ambitions.

ACHESON

¹ Repeated for information to Karachi and London as telegrams 820 and 5595, respectively.

689.90D/6-851

*Memorandum of Conversation, by the Acting Officer in Charge of
Pakistan-Afghanistan Affairs (Gatewood)*

CONFIDENTIAL

[WASHINGTON,] June 8, 1951.

Subject: Pushtoonistan

Participants: H.R.H. Shah Mahmud,
Prime Minister of Afghanistan
Abdul Hamid Aziz, Minister Counselor, Chargé
d'Affaires ad interim, Afghan Embassy
Mr. McGhee—NEA
Mr. Mathews—SOA
Mr. Gatewood—SOA

Problem:

Explore means of improving Afghan-Pakistan relations.

Action Required:

To convince the Afghan Prime Minister that it is not in Afghanistan's best interest to press the Pushtoonistan issue at this time.

Action Assigned to:

NEA.

On the occasion of the Prime Minister's visit to Mr. McGhee's Virginia farm, the Prime Minister was requested to review the Pushtoonistan question. There ensued a 3-hour discussion, throughout which Mr. Aziz acted as interpreter for the Prime Minister, who made the following initial points:

(1) After describing in some detail the location and nomenclature of the tribes on both sides of the Durand Line and their relationship to each other, the Prime Minister pointed out that tribes to the east of the line had never been directly administered by the British who had done nothing to improve their condition except to build a few military roads and some forts.

(2) Afghanistan wishes no additional territory but is seriously concerned with obtaining self-government and improved living standards for the Pushtoon people. (He admitted that more than half of the Pushtoon-speaking people live outside Afghanistan.)

(3) The Durand Line is an artificial boundary, largely drawn across the crests of mountains, and the 1921 treaty¹ establishing this boundary was only agreed to initially by Afghanistan with great reluctance, and is not worthy of much consideration (implying that Pakistan did

¹ Treaty between Great Britain and Afghanistan establishing Friendly and Commercial Relations, signed at Kabul, November 22, 1921; text in *British and Foreign State Papers*, vol. 114, p. 174.

not inherit any rights or obligations from the British under this treaty, which the Afghans have, nevertheless, failed to denounce, as they might).

Mr. McGhee reiterated two points he had made during his visit to Kabul: (a) that the principle of self-determination, though popular after World War I, had proved most difficult of application in the last 20 years; and (b) that the area called "Pushtoonistan" was not economically viable. He also pointed out that the tribes in this area had been associated for many years with British India, perhaps more closely than with Afghanistan.

The Prime Minister replied that: (a) these tribes had, in fact, very close associations with various Afghan Governments during the War of Independence (against the British), the reign of King Amanullah,² and the establishment of the present (Mohammedzai) dynasty in 1929; (b) furthermore, they were most intelligent and ingenious, as shown by their remarkable ability in reproducing European types of rifles, and could make rapid progress if they received outside assistance, particularly if such aid were to develop their untouched mineral resources; and (c) though it might be true that the principle of self-determination had led to difficult political situations, nevertheless, it formed the basis for the establishment of small states such as Trans-Jordan and Israel.

Mr. McGhee said that the Prime Minister had unhappily picked poor examples to illustrate his last argument, as Trans-Jordan had been established because of British strategic interests in the Middle East, and Israel was being upheld by large amounts of American aid. He went on to say that, as for Pushtoonistan, Afghanistan could not support it, Pakistan would not countenance it, and the United States had too many commitments to be able to give it any assistance; it seemed to him, therefore, that, without any possibility of outside aid, without a seaport, and with only sparse resources, the inhabitants of "Pushtoonistan" would have a dim future, unless they chose to join their efforts with those of West Pakistan, which is a progressive and democratic state. On this last point Mr. McGhee alluded to the fact that the Pakistan constitution, though not yet completed, contemplated representation for the inhabitants of the tribal areas and that Pakistan had begun to execute certain important development projects that should provide opportunities for improving the condition of the tribes.

² King of Afghanistan, 1919-1929.

The Prime Minister summed up the principal reasons for Afghan support of the Pushtoon-speaking tribes as follows:

- (1) The close bonds of blood relationships and mutual political influence between these people and the Afghans;
- (2) The demands of the whole Afghan people (not of the Afghan Government only) for Pushtoon independence;
- (3) The verdict of history, with which future generations would praise or condemn present Afghan leaders in proportion to the effort put forth to protect and aid the Pushtoons; and
- (4) The consciousness that there should be justice done to the Pushtoons for their long-standing efforts to preserve their independence.

The Prime Minister emphasized that Afghanistan would pursue these aims only by peaceful means and that, if the Pushtoons were abandoned by the GOA, the present Afghan rulers might be overthrown by a popular revolution.

Mr. McGhee said that, without further disputing the cogency of the Prime Minister's arguments, it seemed to him that the persistence of Afghan-Pakistan differences over Pushtoonistan might provide a spark to a world conflagration; that all the countries of the free world, including Afghanistan, were struggling to preserve the peace and build up their strength as quickly as possible; and that the free nations would, in one or two years, acquire such combined power as to deter the USSR from further aggression. Under these circumstances, he urged the Prime Minister to believe that these were not times in which to persist in pressing the Pushtoonistan issue.

The Prime Minister replied that he agreed entirely with Mr. McGhee's opinion but felt he must point out that, by the will of God, the Afghans had been able to retain their freedom by fighting for it (implying that the Pushtoons might feel impelled to follow this example), and that he hoped Mr. McGhee would carry his point with the Pakistanis also (indicating that Pakistan's stubbornness was a great stumbling block to the GOA).

Mr. McGhee replied that we had indeed pressed Pakistan to consider the consequences of its actions and we would continue to do so. He said he wished to make it quite clear that it was only "Pushtoonistan" that we felt we could not assist and that we had every hope of continuing to help Afghanistan. The Prime Minister inquired whether, as Pakistan was buying arms in the United States, some aid might not be extended to allow Afghanistan to do this also. Mr. McGhee said that Pakistan arms purchases here had been of little significance, to which the Prime Minister replied good-naturedly that something was better than nothing.

689.90D/6-1151 : Telegram

The Chargé in Afghanistan (Horner) to the Secretary of State

CONFIDENTIAL

KABUL, June 11, 1951—6 p. m.

410. Deptel 304, June 5.¹ I called on First Under Secy MFA this morning to inform him of Pak reply to US *démarche* Nov 6, 1950. I had previously sought interview with acting PM, who however, stated he was overwhelmed with work and asked me to see Abdul Samad instead.

In discussion I urged upon Abdul Samad view that whereas Pak reply did not represent full acceptance our *démarche* still it did go long way and if it cld be accepted by GOA atmosphere more conducive to calm discussion wld result. Abdul Samad mentioned but without heat that GOA had rejected proposal from Colonel Shah which "went further" than present Pak counter to our original para 4. However, he said he wld discuss Pak answer with Acting PM first thing tomorrow (I left him *aide-mémoire*) and wld keep me advised result. He threw in gratuitous observation that Ali Mohamed had deep desire to see detente between these two Islamic countries and that GOA in consequence wld go as far as it cld in direction of free discussion. Key point in Abdul Samad's mind was whether Pak counterproposal was intended to preclude discussion "Pushtun question". I cld only point to plain language Pak message to effect "GOP will also be prepared to discuss with Afghan Amb all matters of common concern", and suggested this shld be accepted in most generous spirit by GOA.

Whether or not due to Ramazan lethargy, I found Abdul Samad in much more accommodating state of mind than I have seen him before. Instead of wild threats of summary Afghan defeat Paks, he likened this country to sparrow which being faced with throat cutting places pathetic little paws upon knife blade.

Dept pass London. Sent Dept 410 rptd info London 13.

HORNER

¹Telegram 304, to Kabul, June 6, not printed, repeated the text of telegram 1173, from Karachi, June 5, also not printed, which in part transmitted the text of a brief memorandum from Zafrulla which reiterated the reply of the Pakistan Government to the U.S. approach of November 6 (as stated in the Pakistan memorandum of May 15, summarized in the editorial note, p. 1970; together with the memorandum enclosed with the Foreign Minister's letter of May 25, as summarized in footnote 2, p. 1977). The present memorandum further stated that the reply of the Pakistan Government might be transmitted to the Afghan Government. (689.90D/6-551)

789.13/7-651: Telegram

*The Secretary of State to the Embassy in Afghanistan*¹

CONFIDENTIAL PRIORITY WASHINGTON, July 6, 1951—2 p. m.

8. UK HICOM Karachi reported Brit Emb here Afghan PriMin declined Pak GovGen invitation July 2 on grounds health but with hint that last prominent Afghan visitor Karachi (presumably Shah Wali)² not too pleased with reception. As Afghan-Pak relations again deteriorating after border incident (Embtels 9 and 14 July 2 and 3)³ Dept wld welcome Emb suggestions re action improve sit.

In its discretion Emb shld query FonOff re intention reply Pak counterproposal (Embtel 410 June 11) and Pak suggestion re conference prevention border raids (London tel 22 May 29).⁴ If FonOff vague Emb might point out delay gives Pak chance to claim Afghans unwilling negotiate and ascertain whether replies are being postponed until return PriMin.

FYI GOA does not seem wish make any move now toward settlement differences possibly because govt can use Pushtoon issue to rally popular support and divert attn from domestic difficulties and because delays (with renewed intensity Kashmir problem) may enable GOA exact higher price for better relations. Emb may find other reasons also.

Emb Karachi comments requested.

ACHESON

¹ Repeated for information to Karachi as telegram 11, and to London and Paris by air.

² Prince Shah Wali Khan was Afghan Ambassador to the United Kingdom. Actually, the prominent visitor mentioned here was Hashim Khan, who had been Prime Minister of Afghanistan, 1929-1947. The Department made the correction in telegram 25, to Kabul, July 14, the text of which is printed on p. 1986.

³ Telegrams 9 and 14, from Kabul, July 2 and 3, neither printed, dealt with reports of renewed tribal raids and Afghan-Pakistan fighting in the border area (689.90D/7-251 and 7-351).

⁴ Same as telegram 6257, from London to Washington, May 29, not printed, repeated for information to Kabul as 22 and to Karachi as 91. It described a discussion of the current Afghan-Pakistan situation with the British Foreign Office. (689.90D/5-2951)

689.90D/7-1151: Telegram

*The Ambassador in Afghanistan (Merrell)*¹ to the Secretary of State

CONFIDENTIAL KABUL, July 11, 1951—1 p. m.

26. ReDeptel 8, July 6. In reply to my inquiry yesterday Acting PriMin said answer to Pak counterproposal wld be sent me in few days. Meanwhile he wld tell me it could not be accepted in view of

¹ George R. Merrell had been appointed Ambassador to Afghanistan on April 19,

fact that fourth point was merely "beating around bush," that Afghan Govt must satisfy "the people," that Pushtunistan wld be discussed and that it cld not have new Amb to Karachi placed in position of being told it was a domestic matter.

Regarding recent incidents he said that if neutral commission were to be sent to border it cld be proved that incidents were instigated by Paks.

Only suggestions which occur to me at present for improving sit are: (1) Possibility of convincing Afghans of fact stated to me by Saudi Arabian Min here who is much venerated in Afghanistan as a protector of Mecca that all Muslims in world except Afghans are opposed to creation of Pushtunistan. Min informs me he has already endeavored to dissuade King and officials of govt; (2) Dept might consider offering neutral ground at Washington for discussions between reps of both govts encouraged by Dept's friendly assistance and removed from emotional tensions and national sensitivities of area.

Further unfavorable fact is govt notice that Sept 2 has been named Pushtunistan Day and will probably be used to intensify feelings and worsen sit. Perhaps one favorable aspect of question, however, is that King's speech at recent Eid celebration made only barest ref to Pushtuns and Acting PriMin's reply thereto made no mention of issue.

Dept pass Karachi, London, Paris. Sent Dept 26, rptd info Karachi 6, London 4, Paris 2.

MERRELL

689.90D/7-1151: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

CONFIDENTIAL

KARACHI, July 11, 1951—2 p. m.

33. Re Deptel 11, July 6.¹ Pakistanis say there was nothing wrong with their reception of Shah Wali, but that he refused all offers hospitality including invitation to stay with Gov Gen,² and insisted on haranguing protocol officer who met him on Pushtoonistan.

Emb feels many of reported border incidents are not important in themselves and that their chief significance lies in exaggerated publicity given to them by each side as evidence of hostility and bad faith of the other. In our opinion a conf to discuss prevention border raids such as has been suggested by Pakistanis wld probably result in nothing more than an exchange of recriminations. What is needed is not a method of preventing raids, but the will to stop them and to stop talking about them.

¹ Same as telegram 8, to Kabul, July 6, p. 1984.

² Khwaja Nazimuddin, Governor General of Pakistan.

Consequently, even if Afghans reject a Pakistan counterproposal it seems to us useful to call upon both govts to accept principle of point 2 our Nov 6 approach, namely to work toward preventing tribal incidents and avoiding publicity on those that do occur.

Dept pass London; sent Dept 33. Rptd info London 3, Kabul unnumbered.

WARREN

689.90D/7-1151: Telegram

The Secretary of State to the Embassy in Afghanistan

CONFIDENTIAL PRIORITY WASHINGTON, July 14, 1951—5 p. m.

25. Amb might his discretion seek informal interview Acting PriMin (Embtel 26 July 11) to express concern over recent deterioration Afghan-Pak relations and make fol pts:

1) If GOA refuses Pak counter-proposal Dept will transmit msg to GOP but believes Pak will let matter drop. This will mean US no longer in position exercise its good offices (ReDeptel 117 Nov 2)¹ as go-between.

FYI Dept believes GOA reasons rejecting Pak counter-proposal not entirely valid as *a*) GOA already agreed no agenda on talks when accepting Nov 6 approach hence questionable GOA cld tell people "Pushtoonistan" to be discussed and *b*) GOA understood publicity re talks was to be mutually agreed upon and doubtful Pak wld concur with public statements wholly satis GOA.

2) If GOA turns down Pak counter-proposal without suggesting measures improve relations it wld appear lack willingness for any *rapprochement*. Even if GOA rejects however might consider suggesting GOP that some agreement cld be reached on steps to cease propaganda and to use best efforts both govts to prevent border incidents and to consult in case they occurred. Both govts appear already agreed in principle on these points. (Karachi tel 33 July 11)

FYI Dept does not favor neutral comm to fix blame past incidents. Emb suggestions under consideration for possible use at later date. Suggestion Wash site talks might imply US mediation which Dept still wishes avoid. Correct Deptel 8, July 6 to read Hashim Khan for Shah Wali.²

ACHESON

¹ *Foreign Relations*, 1950, vol. v, p. 1455.

² Ambassador Merrell reported in telegram 47, from Kabul, July 19, not printed, that he had conveyed to the Acting Prime Minister the substance of points 1 and 2 of telegram 25 to Kabul, July 14. Ali Mohammad seemed to appreciate the Department's position but said he did not see how the Afghan Government could accept a Pakistani counterproposal or suggest a means of improving relations until Pakistan had agreed to discuss Pushtunistan. (689.90D/7-1951)

689.90D/7-2851 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

CONFIDENTIAL

KABUL, July 27, 1951—11 a. m.

68. It is not necessary to admit validity of GOP charge that GOI is financially and morally behind pro-Pashtunistan propaganda to see close inter-connection between Kashmir and Pashtun issues. Without any doubt outbreak actual hostilities over Kashmir wld present GOA with challenge. Expressed differently, there wld exist strong temptation to join GOI in hope (or possibly as result prior agreement) of obtaining NWFP and Baluchistan. This potential opportunity to secure for Afghan exit to sea and considerable accretion territory wld be held in check by fear of internal troubles, for it is seriously open to doubt whether regime cld carry with it Pashtun tribesmen in war at side infidel Hindus and Sikhs.

As Dept aware, present govt is made up of such diverse elements, and wields such tenuous auth, that it is impossible to predict how it will react in face given situation. However Acting PM in discussion yesterday admitted that outbreak Indian-Pak hostilities wld impose severe strain on GOA to extent that he personally wld be unable to gauge consequences internally. Other observers believe without question that tribesmen wld be irresistibly drawn to side of Pak, and that if GOA attempted take pro-Indian stand it wld be overthrown in quick order. In consequence an attempt at neutrality, at least in early stages, wld seem obvious policy govt. As against this clear course of wisdom (which, however, might fail shld tribesmen move on Kashmir as they did in 1947), voices are heard inland advocating prompt move thru Khyber and Chaman. Whereas we consider Af mil capacities to be extremely limited, it is sad commentary that many Afghans tend to be guided by their emotions rather than minds.

Dept pass Karachi, New Delhi 4, London, sent Dept 68, rptd info Karachi 14, London 10.

MERRELL

Kabul Embassy Files

The Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Ambassador in Afghanistan (Merrell)

CONFIDENTIAL

WASHINGTON, August 14, 1951.

OFFICIAL INFORMAL

DEAR GEORGE: Since your arrival last month in Kabul, I have intended to write you about a number of outstanding problems affecting Afghanistan. Your reports are most helpful and indicate that we are

witnessing a new phase in the internal political situation there. We have been particularly interested in your summaries of significant events showing that the people of Afghanistan are acquiring greater political consciousness and are comparing their own depressed living standards with those of their more prosperous neighbors. The so-called liberal elements, though lacking in leadership at present, seem to offer opportunities for the exercise of tactful and beneficial United States influence. Without identifying ourselves too closely with them, we may be able to influence them sufficiently so as to prevent their capture by Communist infiltration.

Pushtoonistan is always with us and is likely to be for some time. I think you will agree that a minimum requirement of our policy is to discourage Afghan agitation of this issue, reduce tension as much as possible, and hope that time and wiser counsels on both sides will prevail. Economic development of the country may help to eliminate some of the emotional bases for "Pushtoonistan." That is not to say, however, that we should not continually strive to settle the issue bilaterally or through other appropriate means. Incidentally, I doubt that my remarks to the Afghan Prime Minister on June 8 ever filtered down to the Afghan Foreign Office; perhaps it will be useful for you to find an occasion to repeat these points to Ali Mohammed, as we suggested in our telegram No. 36 of July 20.¹

It will be interesting to learn what the Prime Minister's position is when he returns. I believe it would be very unfortunate from our point of view for him to retire. He has many ideals similar to those of the West and seems to be respected by the Pakistanis as well as the Afghans. His visit here was successful, I think, in making him a better friend to the United States, but it is now clear that we were unable to prevail upon him to make an early return to Afghanistan. This may reflect a desire among certain elements in Afghanistan to keep him away at this particular time or the possibility that he is holding himself in reserve for a real crisis in either internal or external affairs.

¹Telegram 36 to Kabul, July 20, not printed, in part requested Ambassador Merrell, should the Afghan reply to the Pakistani counterproposal be a flat refusal, to remind the Acting Prime Minister of the substance of McGhee's March 12 conversations in Kabul and of his June 8 talk with the Prime Minister. He was to emphasize the following points: (1) Pushtunistan is not an economically or politically viable state; (2) the insistence of the Government of Afghanistan in pressing the Pushtun issue under present world conditions is not believed to be in the best interests of Afghanistan or of world peace, a view with which the Prime Minister indicated agreement; and (3) the principles of self-determination have proved difficult in practice during the last 20 years. (689.90D/7-1151)

Telegram 72 to Kabul, August 17, not printed, instructed the Embassy to transmit the formal Afghan reply, when received, to the Department for forwarding to the Government of Pakistan. If the Afghan reply was a flat refusal, the Embassy was to make the representations indicated in telegram 36 to Kabul of July 20. (689.90D/8-951)

The MKA oil situation may be a matter of concern for some time and we intend to lend appropriate assistance while following the general line you recently recommended, i.e. to make the Afghans shoulder some responsibility for negotiating with the GOP, at least on the technical level. I believe the record shows that the GOP has done pretty well by us and MKA and you might find this useful sometimes in countering the perennial Afghan contention that Pakistan is constantly trying to strangle their economy. On the other hand, I quite agree with your recent telegram indicating that, if Indo-Pakistan tensions increase, Afghanistan will be in a very tight spot both politically and economically.

I have noted with great interest your reports of increasing USSR activity in Kabul, and I know you will keep us alert to any hints of a change in their objectives or plans, which might lead to some internal coup.

The application of the Kem Amendment² to Afghanistan is another matter of some concern at this time. We hope that Afghanistan, like India, may be granted exemption and that US aid, though small, may stimulate the Afghan development program and indirectly ease the Pushtoonistan issue. Meanwhile, it is gratifying to know that the two dams being financed by the Export-Import loan may cost only \$16 million, so that the \$5 million balance might possibly be used for land utilization.

In the administrative field, we are fully aware of the need for expanding the Embassy staff and arranging for additional housing. Fritz Larkin³ has promised to visit Kabul some time this year. We are doing everything possible to get you more personnel, though I am sure you realize that a good deal of time is needed to select suitable people. I think it is particularly necessary to continue utilizing the USIE program so as to reach more Afghans, especially those who are just now beginning to become more sophisticated politically. We are also trying to persuade the Air Force to let you make the maximum use of the Air Attaché's plane.

I still recall with great pleasure my visit with you in Addis and hope that some time I may have occasion to see you also in Kabul. With warm personal regards and best wishes to the members of your staff, I am

Sincerely yours,

GEORGE C. MCGHEE

²The Kem Amendment, Section 1302 of P.L. 45, Third Supplemental Appropriation Act of 1951, approved June 2, 1951 (65 Stat. 52), so-named after Senator James P. Kem of Missouri, provided for a ban on economic assistance to countries exporting strategic materials to Communist-bloc countries.

³Frederick Larkin, Chief, Division of Foreign Buildings Operations.

Editorial Note

In an *aide-mémoire* of September 6 sent by the Afghan Ministry of Foreign Affairs to the Embassy at Kabul; the Afghan Government reiterated its view that the dispute between the Governments of Afghanistan and Pakistan centered on the unresolved political and legal position of the trans-Afghan Pashtuns whose natural ties were with the Pashtuns of Afghanistan. Afghanistan and Pakistan should seek a formula to determine the political and legal status of the Pashtuns and thereby promote peace in the area. The Afghan Government noted that it had prepared two formulas which were transmitted earlier in the year to Pakistan through Colonel Shah, and that it was still prepared to enter into discussions on the basis of either formula. Under the first formula, Afghanistan and Pakistan would agree that the question of the trans-Afghan Pashtuns should be determined through diplomatic channels at the earliest opportunity. Under the second formula, the same course would be followed but the two governments would in addition seek to fulfill the aspirations of the Pashtuns and consider means of establishing peace and improving economic, cultural, and administrative conditions in the Pashtun homeland. Under both formulas, the two parties would also agree to cease propaganda against the other and to exchange ambassadors as soon as possible.

Ambassador Merrell reported to the Department that whereas this Afghan reply was not very helpful, it did not constitute a "flat refusal," and he was therefore not carrying out the instructions contained in the Department's telegram 72 of August 24 (see footnote 1, page 1988), pending further instructions. (Telegram 139 from Kabul, September 10; 689.90D/9-1051)

689.90D/9-1051 : Telegram

The Secretary of State to the Embassy in Afghanistan

CONFIDENTIAL

WASHINGTON, September 27, 1951—2 p. m.

119. Re Embtel 139, Sep 10.¹ Assuming *Aide-Mémoire* official GOA position re Pak counterproposal Emb in its discretion shld point out to FonOff:

1. It wld appear from *Aide-Mémoire* that US Nov 6 proposal can no longer usefully serve as basis for improving Afghan Pak relations as both govts concerned have found it impossible agree on all four points US approach.

¹ Not printed, but see editorial note, *supra*.

2. Both govts however appear have reached agreement on first three points Nov 6 approach thus encouraging US hope that they may pursue further bilateral negotiations (such as Shah talks) leading to better understanding between them.

3. As it appears Shah talks thoroughly explored possibility of agreement on terms of Nov 6 approach, it wld seem unnecessary for US Govt transmit any further communication from GOA to GOP this regard.

4. Consequently US Govt considers further discussion Nov 6 approach wld serve no useful purpose and considers this approach at an end.

5. At same time US sincerely hopes both govts will be able take bilaterally effective measures lessen existing tensions.

Report GOA reactions soonest.

ACHESON

6S9.90D/10-851

The Ambassador in Afghanistan (Merrell) to the Secretary of State

CONFIDENTIAL

KABUL, October 8, 1951—6 p. m.

178. Minister Foreign Affairs did not react very vividly to contents of Deptel 119, Sept 27, which I conveyed to him yesterday altho he indicated that he might send reply in writing. He did take exception, however, to phraseology "govts concerned have found it impossible agree on all four points US approach," pointing out that GOA did accept all four points and that GOP alone had rejected fourth point. I told him that we thoroughly realized and appreciated this and that expression merely meant that agreement cld not be reached.

In course of conversation when I remarked that we had hope that expression "GOP will also be prepared to discuss with GOA all matters of common concern" in Pakistani counterproposal was meant to include question of Pashtuns, he said that this possibility had been ruled out (confirming their previous view) only a few days ago when the Pakistani Chargé had asked what they wanted besides recognition of Pashtun problem, that "they wld give them anything else." To this Minister Foreign Affairs replied to Chargé that they were not "bargaining," that they felt other problems cld be solved after relations were improved.

Pakistani Chargé confirmed to Horner today that he had suggested willingness his govt to make important concessions in economic field, with strong implication this wld constitute return for GOA relinquishment Pashtun issue. Chargé went on to say that response Ali Mohd was emphatic negative.

Dept pass Karachi, London, New Delhi. Sent Dept 178, rptd info Karachi 2, London 12, New Delhi 8.

MERRELL

690D.91/10-1051 : Telegram

*The Secretary of State to the Embassy in Pakistan*¹

CONFIDENTIAL

WASHINGTON, October 10, 1951.

384. View inability both govts agree all points Nov 6 approach, wld appear this suggestion no longer basis improving relations two govts. You shld inform GOP therefore US Govt considers Nov 6 approach at an end. You shld also express sincere hopes US Govt both govts may pursue further bilateral negots (such as Shah talks) leading to a better understanding between them, and that both govts will be able take bilaterally effective measures lessen existing tensions. Cable GOP reactions soonest.²

ACHESON

¹ Repeated for information to Kabul as telegram 135, to London as 1939, and to New Delhi as 795.

² In telegram 396 from Karachi, October 12, not printed, Ambassador Warren informed the Department that he had delivered the message contained in telegram 384 to Karachi, October 10. The Prime Minister stated that Abdul Majid, the former Afghan Minister of National Economy, was arriving in Karachi from Kabul within the next few days and would stop over for a 2-day visit. Arrangements had already been made for him to resume his conversations with Colonel Shah during his stay. (690D.91/10-1251)

689.90D/10-851 : Telegram

The Secretary of State to the Embassy in Afghanistan

CONFIDENTIAL

WASHINGTON, October 15, 1951—6:12 p. m.

138. While for purposes past negots Dept has been willing give GOA benefit of doubt re GOAs initial acceptance Nov 6 approach (Embtel 167 Nov 13, 1950)¹ is now apparent GOA has had mental reservations in addition to suggestions listed in reftel. Dept therefore hopes Emb will not encourage GOA (Embtel 178 Oct 8, 1951) believe USG now considers GOAs acceptance was unqualified. GOAs original mental reservations evidenced by subsequent efforts introduce Pash-toonistan issue.

Dept also hopes Emb will not make further ref to Pashtoon problem in context of second para Embtel 178 Oct 8. Dept has studiously avoided volunteering to GOA or Afghan Emb officials any interpretation GOP position vis-à-vis *demarche*. Informing GOA that US had hoped discussions wld include Pashtoon question might be maliciously interpreted to GOP by GOA as US support for "Pash-toonistan" campaign which aims at dismemberment Pak. Emb will recall that in his initial comment on US approach (Embtel 159 Nov 6,

¹ *Foreign Relations*, 1950, vol. v, p. 1456.

1950)² FonMin was careful to remind Emb Afghans held tribal areas to be "independent".

Dept wld appreciate Embs estimate current activity GOI in support GOA Pashtoonistan campaign.

ACHESON

² Not printed.

689.90D/10-1751 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

CONFIDENTIAL

KABUL, October 17, 1951—3 p. m.

194. We wish to offer fol comments seriatim on points raised Deptel 138, Oct 15:

(1) We have all along considered it self-evident that GOA interpreted our Nov 6 proposal as offering basis for discussion Pashtun issue. Further, it seems obvious from GOP delay in acceptance, and its reframing of point 4 thereof, that GOP also realized that proposal as originally worded offered opportunity for GOA to bring up Pash-tun question. Further, as we have reported, GOA consistently has made it clear that Pashtun issue only matter it is interested in discussing with GOP and that it wld not be prepared to go into what it considered secondary subjects in dispute (Embtel 178, Oct 8) unless this first and primary matter was settled to its satisfaction. In this sense we feel employment term "mental reservations" as misconception facts of case.

(2) It has been our belief that main intent of Nov 6 approach was to bring about end to newspaper and radio war over Pashtun issue, and to substitute calm and reasoned talks between two parties on mutually acceptable basis. It was just as inevitable that GOA wld interpret term "without a previously agreed agenda or stated preconditions" in point 4 Nov 6 approach as permitting discussion Pash-tunistan as that GOP wld see to substitute other wording ostensibly covering same ground but in fact circumscribing right GOA to introduce matters deemed by GOP of purely internal import. It was in terms basic need to bring two parties together that expression "GOP will also be prepared to discuss with GOA all matters of common concern" was (Embtel 178, Oct 8) mentioned to Min Fon Affairs as possibly affording means of discussing "question of Pashtuns" (which obviously is not the same thing as Pashtunistan state as such). Further, far from encouraging GOA to believe US supports Pashtunistan concept, we have consistently made plain our belief that such state wld be non-viable, and that support for it on part Pashtuns on other side of Durand Line (or for that matter in Afghan itself) is highly ques-

tionable. We have no doubt that GOA harbors no misapprehensions on this score, and in fact we have been given many indications that GOA regards attitude this mission on Pashtun question as distinctly frigid.

(3) Our views on entire Pashtunistan question are set forth in considerable detail in Embdes 131, Oct 12, which shld reach Dept shortly.¹ In summary, we feel prospects new and successful effort to end Pak-Afghan imbroglio must await propitious conditions.

(4) We consider it strong probability that Afghans are receiving financial (in addition to obvious moral) support from India. Clearly Pashtun question intimately linked with Kashmir problem, which provides main Indian motivation. We cannot adduce any concrete proof of Indian financial aid, which undoubtedly is indirect. However, Afghan exparliamentarian Habib, now operating under auspices in Peshawar, has told reliable source that Indian import duties on Afghan goods are collected and retained by Afghan customs authorities at Chamen, and earmarked for Pashtunistan propaganda. There is probable substance in this charge. Other means support takes such form as punitive subsidization Pashtun-propaganda organs published in India.

MERRELL

¹ This 16-page despatch, not printed, contained a summary of the question which recapitulated most of the points documented in the present compilation and that for the year 1950 (689.90D/10-1251).

689.90D/10-2051 : Circular telegram

*The Secretary of State to Certain Diplomatic Offices*¹

SECRET

WASHINGTON, October 20, 1951—3:57 p. m.

377. Afghan Chargé handed Dept Oct 18 translated communiqué from Kabul for local press, stating in summary if GOP identification Liaquat's assassin² Seyed Akhbar as Afghan national correct, it was clear Akhbar had no connection Afghanistan for reasons that Akhbar and brother involved in unsuccessful insurrection against GOA 1944 southern province fol which they interned India. Communiqué indicated GOA revulsion assassination.

Approval expressed restrained tone Afghan disclaimer and hoped sympathetic dispassionate attitude wld continue so as avoid aggravating relations two countries during difficult period while facts motivation still not clearly established.

¹ Sent to the Ambassadors in Afghanistan, Pakistan, India, the United Kingdom, and the Soviet Union.

² The Prime Minister of Pakistan, Liaquat Ali Khan, was assassinated on October 16 in Rawalpindi, Pakistan.

Emb Kabul shld seek occasion soonest convey substance above remarks to FonOff. While Dept recognizes necessity Afghan pronouncement in answer implications press reports, believes best interest both countries served by limiting public discussion. Request earliest transmission fullest info and Emb comments re alleged 1944 insurrection and possibility Commie instigation assassination.

ACHESON

689.90D/10-2351 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

SECRET

KABUL, October 23, 1951—5 p. m.

204. I saw FonMin this morning and conveyed to him substance of para 2 Depcirtel 377 Oct 20. He said that he had been shocked to learn of assassination of Liaquat, for whom he had great admiration, and had been much upset by Pak radio charge that GOA was involved. He emphasized that return of consul from Peshawar on day of assassination was mere coincidence; that leaving his family there he had come to Kabul for purpose of discussing matter mentioned in Oct 18 communiqué on orders issued by FonMin 10 days previously and that he wld return shortly.

"Alleged 1944 insurrection" was one of series of tribal outbreaks which have plagued country from time immemorial.

It seems established that Seyed Akbar was one of minor leaders of this rebellion, which was led by his elder brother. Some of rebels, including Seyed Akbar, held out until Jan 1947, when they fled to Brit India and were given asylum. However at least one brother has since returned to Afghan and is mental case in Kabul. FonMin who has no idea of who instigated murder nor of motive and says similar assassination cld occur here any day, knows that elder brother of assassin recently visited Afghan republican group in Karachi.

During Brit rule it was custom of GOI to grant asylum to unsuccessful Afghan rebels and to afford them small pensions. Thus grandfather present King lived in exile in United Provinces of India and his sons, including present PriMin, were born and brought up there.

Records UK Emb here indicate Seyed Akbar did receive regular pension from the GOI, which probably was continued by GOP.

PriMin, in conversation with my Brit colleague¹ on Oct 20 (it had been arranged sometime before murder) expressed considerable apprehension over effects Liaquat murder. Brit Amb remarked that if some were disposed to depict GOA instigator this was but natural result of exacerbated relations between two countries for which GOA must

¹ The British Ambassador in Afghanistan was Alfred John Gardener.

bear its share of blame. Shah Mahmoud stated emphatically that GOA had nothing whatever to do with assassination. We are inclined to believe such is the case, while not overruling possibility that certain Afghan elements may have had a hand in affair.

On the face of it assassination Liaquat wld hardly seem to further Afghan interests and on contrary seems calculated to harm them. However, as we have commented before, Afghans do not always act from what we wld consider rational motives.

We think it highly improbable that Commies were behind assassination and have seen no suggestion to that effect. While assassination might, by further worsening Pak-Af relations, generally be to advantage USSR, on basis facts available to us we wld dismiss Sov implication as unlikely. FonMin, who says he is not very familiar with Commie activities in Pak, also feels they were not involved.²

Dept pass Karachi sent Dept 24 rptd info Karachi 31, pouched New Delhi unnumbered, Moscow unnumbered, London unnumbered.

MERRELL

² Telegram 429 from Karachi, October 23, not printed, reported that, in accordance with the request of the Pakistani Government, the Pakistani press had since October 16 refrained from referring to the Afghan connections of the assassin. The Government had not released to the public the information that the assassin was in contact with the Afghan Consul at Peshawar. The telegram further reported that the Pakistani Government had no information indicating any Communist connection with the assassination. (689.90D/10-2351)

689.90D/11-351 : Telegram

The Acting Secretary of State to the Embassy in Afghanistan

CONFIDENTIAL

WASHINGTON, November 3, 1951—3:29 p. m.

154. Amb's¹ remarks conversation with McGhee 31st re Pak relations included fol:

1. Expression GOA disappointment termination Nov 6 approach.
2. Breakdown due GOP unwillingness accept formula in language permitting possibility discussion status Pushtoons.
3. GOA like US keenly aware chief danger USSR, hence greatly concerned prevent additional Asian crisis.
4. Notwithstanding UK-GOP assertions no discontent border area we shld not overlook fact this crisis developing daily. Symptoms anti-Pak feeling which Afghans unable ignore include tribal dels to Kabul, "weekly" border clashes, presence Chitral refugee Kabul as fugitive from "intolerable pressures" (Karachi desp 443 Oct 11),² and assassination Liaquat.
5. Continued bilateral negots futile; only hope settlement is continuation US efforts.
6. Naim here obtain US suggestions next steps.

¹ Sardar Mohammad Naim, Afghan Ambassador.

² Not printed.

McGhee referred long-standing efforts this Govt, his conversations GOA and GOP PriMins in search workable formula implement Nov 6 approach. However in absence complete acceptance terms both sides US had no alternative but withdraw this particular procedure. Although US still interested supporting other possibilities (perhaps along lines Col Shah talks), parties shld exercise own responsibility for area stability and obligation other free nations and not rely primarily upon US arrange settlement.

Emphasized (1) overriding seriousness world situ must be main preoccupation small as well as large free nations; (2) although US recognized as natural, local and national aspirations, short-term stability more important than immediate fulfillment; (3) hence our hope Afg wld be able hold local problem in abeyance next few years as contribution to success in dealing with world menace; (4) commented favorably restraint both GOA and GOP press re possible implications Afg origin Liaquat assassin and urged continuation restraint all aspects Afg Pak relations with confidence elimination world tensions next few years wld permit solution local issues. Naim made no suggestions possibility referring problem to internatl body.

Naim continued conversation with reference Afg interest mil equipment from US (Embdesp 100 Sep 6)³ and expressed keen desire GOA learn US reactions. McGhee said Dept giving serious study Afg note. Asked if he wld press matter, Asst Secy said within limitations our many commitments it wld receive all possible consideration earliest.

In view indications PriMin not currently inclined emphasize "Push-toonistan" issue (Embtel 208 Oct 25),³ does Emb believe Naim's remarks may indicate genuine desire find face-saving formula for receding from present position?

WEBB

³ Not printed.

689.90D/11-S51 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

SECRET

KABUL, November 8, 1951—5 a. m.

231. In hour and quarter conversation with PriMin this morning during which he frequently referred to US as Afghan's best friend and incidentally indicated our request for dipl exchange rate seemed perfectly reasonable (Cabinet wld take it up Monday)¹ and said "of course" we cld send occasional and extremely urgent messages by your own radio if we kept the matter secret (Embdes 70, August 11)² he

¹ November 12.

² Despatch 70, August 11, not printed, concerned the transmission of Embassy messages by radio (116.1/8-1151).

endeavored to appeal to my vanity by saying I cld make a great name for myself if I cld solve the outstanding dispute between Afghan and Pak. When he replied in negative as to whether he had any new ideas how this cld be done or how Afghan cld cooperate I emphasized my opinion that cessation of provocative and useless propaganda by both sides wld help a great deal. To this he replied quite categorically that if US wld give an undertaking to see that the question of Pashtuns were brought before UN "in three or four years when world was calmer" he wld be willing to abolish all propaganda. When asked if that meant question of Pashtunistan wld be dropped he said yes. He explained that such an undertaking wld have to be a written document so that he wld have something to show "the young men of Afghan" and some of the tribal leaders.

Whether this furnishes the possibility of a solution or not, it certainly seems to verify Afghan's keen desire for face-saving formula (last para Deptel 154, November 3).³

Dept pass Karachi. Sent Dept 231; rptd info Karachi 36.

MERRELL

³ In telegram 165, to Kabul, November 15, the Department replied as follows: "Dept inclined agree PriMins remarks (Embtel 231 Nov 8) may reflect desire find face saving formula, but for time being Dept believes it has exhausted all possibilities. Dept assumes Emb agrees consideration PriMins proposal re UN out of question. We shld continue urge Afghan officials to talk directly with Paks re their common problems." (689.90D/11-851)

689.90D/11-1551 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, November 15, 1951—10 p. m.

524. Acting FonMin Mahmud Hussain informed me tonight in conversation called at his request that Paks had recd info over past two-three weeks that Afghan auths had recently surreptitiously released from incarceration over 120 known killers with orders infiltrate Pak and eliminate Pak public men. At first Paks did not believe but Hussain states that info has now reached Paks causing them consider reports beyond doubt. He wld not reveal sources of latter info beyond admitting that some came from Pak Emb Kabul, but with most from many other sources. Added that if other public men assassinated by suspected Afghan nationals, govt will be unable hold people in check.

Dept pass Kabul; sent Dept 524, rptd info Kabul 43.

WARREN

689.90D/11-1551: Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, November 15, 1951—10 p. m.

525. In conversation tonight Mahmud Hussain Acting Fon Min stated that when Abdul Majid in Karachi on way to US he called on PriMin and on Hussain. Majid stated to Hussain Afghan had to make friends with Paks otherwise Afghan wld be "taken over by Soviets". Hussain replied Paks willing go all out on their side improve Pak-Afghan relations on mutual basis economically and politically, exchanging Amb, ceasing propaganda and even discussing Pushtoon question without publicity. Majid stated Afghan Govt wld have let people know question being discussed owing popular feeling. Hussain stated Paks cld not have publicity due loss face with Pak public. He emphasized to Majid this not concession on Pak's part. Agreement reached between two that propaganda wld gradually decrease over period three months at end of which Amb wld exchange and at that stage discussions on Pushtoon and other issues wld begin. Majid was to write to Afghan Fon Min not then in Kabul and answer wld be channeled thru Colonel Shah to Hussain. No reply yet recd by Pak.

Dept pass Kabul; sent Dept 525, rptd info Kabul 44.

[WARREN]

689.90D/11-1551: Telegram

The Acting Secretary of State to the Embassy in Pakistan

SECRET

WASHINGTON, November 24, 1951—1:06 p. m.

495. Dept willing believe there may be growing Afghan realization dangerous potentialities continuation Pushtoonistan campaign, and increasing GOA inclination reach solution. In view fact Pushtoonistan propaganda situation orig created by GOA, Dept does not believe incumbent Pak make concessions as such, but it wld be highly desirable if GOP cld react conciliatory manner toward any GOA proposals promising relieve tension and approach solution. Karachi tel 525 Nov 15 (44 to Kabul) suggests GOP willingness to go along with GOA on phased program, but it is possible to deduce from Hussain's remarks (Karachi 524 Nov 15, 43 to Kabul) GOP may be preparing to renew strong anti-Afghan propaganda campaign.

Dept requests Emb Karachi's views without outside discussion re fol:

- 1) Actg GOP FonMin purpose informing you along lines urtel 524.
- 2) Importance GOP may attach to talks with Majid.
- 3) Possibility Pak Govt willingness scale down propaganda and exchange Amb (urtel 525) leaving matters of agenda and publicity for later settlement.

4) Info Emb may have re Majid's possible reaction new prospects agreement on basis his talks with Hussain.

Emb Kabul only:

Re 1 above: comment on substance Karachi tel 524.

Re 2: any indication extent Majid authorized or instructed approach GOP this line.

Re 3: Estimate GOA willingness go along with phased program.

Info re Majid's itinerary.

WEBB

689.90D/11-2451 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

SECRET

KABUL, November 24, 1951—4 p. m.

251. My Brit colleague, who is leaving Kabul shortly on reassignment, recently called on ex-PriMin Hashim Khan (brother of present PriMin and uncle of King Zahir) to say farewell. He found Hashim with his nephew, ex-War Min Daud. In course conversation, Gardener gathered firm impression both men were extremely worried about imputations assassination Liaquat was agent GOA. Moreover, they seemed to have reached realization that Afghan-Pashtun propaganda has misfired. Gardener, who had many years' experience this general area feels that present atmosphere is more propitious for some form of settlement Pak-Afghan rift than at any time since his tenure began over two years ago.

Gardener is of opinion, which I share, that reported release of 120 killers with orders infiltrate Pakistan and eliminate Pak public men (Karachi tel to Dept 524 Nov 15) seems incredible. We both consider that present GOA leaders are far too intelligent to adopt any such course of action, and we both believe it unlikely that any subordinate official wld dare to open prison gates without explicit authorization from above.

Dept pass Karachi. Sent Dept 251; rptd info Karachi 42. London unkn.

MERRELL

689.90D/11-2451 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

SECRET

KABUL, November 24, 1951—5 p. m.

250. While I fully agree we shld continue to urge GOA to talk directly with GOP re their common problems (Deptel 165, November 15), I am not so sure we shld not give further consideration PriMin's offer (Embtel 231, Nov 8). It occurs to me that GOP itself

might be prepared to envisage a US undertaking (in which it was made clear that support of Afghan cause not included) that Afghan-Pashtun case be given a hearing a few years from now, since by so doing GOP would remove immediate annoyance which no doubt has bearing on its dispute over Kashmir. In any case, I believe it wld strengthen PriMin's hand in his evident attempts to chart a more moderate course if we cld give him some encouragement and at the same time bolster our primary thesis that, whatever may be the merits of Afghan-Pashtun case, at the present time we shld all present a united front against Commie aggression.

Dept pass Karachi. Sent Dept 250; rptd info Karachi 41, London unnn.

MERRELL

689.90D/11-2951 : Telegram

The Ambassador in Afghanistan (Merrell) to the Secretary of State

SECRET

KABUL, November 29, 1951—noon.

260. Dept pass DeptAr G-2. Pak Chargé wishing discuss "Hussain-Majid agreement" (Embtel to Dept 254, Nov 26)¹ called on Horner yesterday. Horner attempted impress upon Abdur Rahman advantages of positive GOP response to GOA's evident desire to achieve face-saving compromise to Pash question. Abdur Rahman said he wld call on AF Amb to London Shah Wali (who has been visiting Kabul, and is brother PriMin and uncle of King) with object inciting him to travel back via Karachi (Emb had understood previously that Shah Wali wished to go thru Pak, but was uncertain of his reception). He also said, if response was favorable, he wld ask GOP to extend formal invitation and to urge warm reception calculated to improve polit atmosphere.

Abdur Rahman agreed that essential feature of any agreement is face-saving formula. In that regard, Horner indicated Emb's strong belief that gradual cessation propaganda on both sides was crux of situation without which no agreement was possible. Horner also suggested that during period in which propaganda being diminished it wld be most helpful if GOP cld make some unsolicited offer to improve transit Afghan goods, even to point of suggesting possibility of free port arrangement and extension of rail line from Chaman into

¹ Telegram 254, from Kabul, November 26, not printed, reported that the Hussain-Majid "agreement" outlined in Karachi's telegram 44 to Kabul, November 15 (same as telegram 525 to Washington, p. 1999) had been reposing in the Prime Minister's desk and that the Minister of Foreign Affairs had been summoned from vacation to Kabul to consider it. The acting Minister of Foreign Affairs had stated that while the agreement might not lead to a solution it was "encouraging." (689.90D/11-2651)

Kandahar. Chargé promised bring these views to attention GOP with positive recommendation.

As previously indicated, Emb considers that atmosphere conducive to satisfactory settlement Pak-Af dispute, if on no more than temporary basis, is being rapidly generated Emb feels this result, in large measure, PriMin's own earnest wish for opportunity for peaceful development Afghan industry and economy. Emb therefore believes it wld be important if face-saving formula (largely intended to strengthen PriMin's hand against more nationalistic elements) could be accompanied by economic advantages to GOA. These wld not be essentially bribe, but rather wld be intended rationalize Afghan's land locked position, and to replace archaic Brit system of refundable customs duties, which has led to great delays in Afghan imports and exports, and very considerable increase in costs thereof. Emb hopes that ultimately GOA can be offered free port arrangement in Karachi, and that rail line shld be extended into Kandahar, thereby making possible exemption Afghan goods from customs examination and duty within Pak. At same time, Emb wld like to envisage substantial improvement Kabul-Kandahar road (partially paid for by US grant aid).

These improvements in communications not only wld bolster Afghan econ, but wld be of ultimate military value in event Sov aggression in this area. For that reason, if for no other, Emb wld recommend strong support by Dept and Emb Karachi along those lines. Army Attaché concurs.

Dept pass Karachi. Sent Dept 260, rptd info Karachi 45, pouched London unn, Delhi unn, Moscow unn.

MERRELL

689.90D/12-1851 : Telegram

The Chargé in Afghanistan (Horner) to the Secretary of State

SECRET

KABUL, December 18, 1951—1 p. m.

290. We wish to reiterate our belief that progress can be made in settling Afghan-Pak differences if we take advantage now of evident Afghan desire find face-saving formula. Vital point in Embtel 250 is achievement one or more year's moratorium on all Pashtun propaganda or vituperative press and radio exchanges; we believe that Pashtun campaign, once buried, wld be difficult if not impossible to dig up again (PriMin is far too astute not to have realized this when he made his suggestion reported in Embtel 231 of Nov 8). Since Dept expresses reluctance to have US give written assurance that Pashtun case will be given hearing when world tension ceases we suggest possibility GOP wld be willing give such written assurance which, how-

ever, wld have to bear endorsement of US, UN or some third party in whom Afghans have confidence.

We wld appreciate Dept's comments.

Dept pass Karachi. Sent Dept 290; rptd info Karachi 47.

HORNER

689.90D/11-2951 : Telegram

The Secretary of State to the Embassy in Afghanistan

CONFIDENTIAL

WASHINGTON, December 29, 1951—7:33 p. m.

206. Dept in accord desirability certain econ objectives and their relationship Pak-Afghan relations advanced Embtel 260 Nov 29. However Dept questions whether GOP wld be inclined actively to cooperate in improvement Afghan econ position in absence demonstration good faith GOA. Such demonstration not yet forthcoming except decrease local press propaganda which not as significant as radio propaganda that reaches Pak audience.

FYI re para 2 your memo conversation des 187 Dec 3 there are no funds available this FY for grant aid to Kabul Kandahar highway project and Dept cannot now predict level MSP appropriation FY 1953. Hence in conversations with GOA Emb shld carefully avoid statements that may lead Afghans expect more than Dept can offer.

ACHESON

AFGHANISTAN

UNITED STATES POLICY WITH RESPECT TO AFGHANISTAN¹

611.89/2-2151

*Department of State Policy Statement*²

SECRET

[WASHINGTON,] February 21, 1951.

AFGHANISTAN

A. OBJECTIVES

Our objectives with respect to Afghanistan are its continued existence as an independent state, with further integration of its diverse peoples; the maintenance of stable government; improved Afghan relations with Pakistan and Iran; and the encouragement of social, political and economic progress which will further strengthen present Afghan orientation toward the western democracies and away from the USSR.

B. POLICIES

The ruling oligarchy in Afghanistan has maintained a stable government for twenty years, and, although it governs with almost autocratic authority, is permitting increasing diversity in expressions of political opinion. Our policy is to contribute to the Government's stability by assisting in its plans for the economic and social development of the country, by encouraging governmental moves to meet the incipient democratic aspirations of literate elements in the population, and by encouraging the development of realistic foreign policies which adequately reflect Afghan needs and capabilities.

While US prestige in Afghanistan declined in late 1949 and early 1950, when the Afghans surmised that US interest in their country was not substantial, this trend appears to have been halted, and Afghanistan has renewed its cultivation of US friendship in accord-

¹ For related material, see pp. 1650 ff., and pp. 1929 ff.

² Department of State Policy Statements comprised a category of documents summarizing the current United States policy toward the relations of principal powers with, and the issues and trends in a particular country or region. The Statements were intended to provide information and guidance for officers in missions abroad. They were generally prepared by *ad hoc* working groups in the responsible geographic offices of the Department of State, were referred to the appropriate diplomatic missions abroad for comment and criticism, and were periodically revised.

ance with its traditional reliance upon a remote and friendly power. This reliance is tempered with careful attention to the advantages that may be offered by other Muslim and European countries, as well as by the United Nations itself.

Although the approval of PL 621³ makes it possible to assist Afghanistan in its efforts to prepare for defense against aggression and to preserve internal order, it has been dilatory in making informal approaches looking to the supply of military equipment by this country. The US Government is in a position to consider extending Afghanistan reimbursable aid (by procurement assistance, technical advice or by sales from US military stocks) within the framework of established higher priority and supply limitations when it appears that Afghanistan is in a position to translate its requirements into definite terms.

Owing to the restrictive policies of the Afghan Government and widespread illiteracy, US information activities are limited, but the USIE in Kabul can and does distribute a sizeable amount of pro-US material, chiefly in the form of illustrated booklets, magazines and photographs. Film showings to small groups of officials and students have been successful and the exchange of persons program will bring a significant number of Afghan leaders and students to the United States. Further expansion of the USIE program along these lines will be recommended whenever it is clear that it can be done within the framework of Afghan Government restrictions and sensibilities.

The Afghan Government's program for recruiting American teachers, potentially effective in disseminating information about the United States, has been suspended for over a year. Should it be renewed, a careful review would be essential in order to insure selection of personnel most likely to succeed under the difficult conditions obtaining in Afghanistan and to eliminate, insofar as possible, the administrative difficulties which have curtailed the effectiveness of the program in the past.

So far as known, there is no overt or clandestine indigenous Communist organization in Afghanistan. To date foreign Communist activity appears to be of little significance due in part to the vigilance of the existing government, and, to a considerable extent, to the predisposition of the inhabitants against Russia as a nation and communism as an ideology.

The major Afghan economic problem is that of maintaining necessary imports of consumer goods while proceeding with development plans. Afghanistan's principal hard currency resources consist of dollar earnings from karakul fur exports to the United States, which

³ Public Law 621, An Act to amend the Mutual Defense Assistance Act of 1949, approved July 26, 1950; text in 64 Stat. 373.

constitute nearly 95 per cent of US imports from that country. A substantial amount of consumer goods imported from neighboring countries has had to be financed by sales of dollars, as Afghanistan has not been able to obtain sufficient rupees from its exports to balance its trade with Pakistan and India. Accordingly, we should encourage the Afghan Government to make arrangements with Pakistan and India for better marketing and transit facilities for Afghan products in active demand in those areas and to exercise more effective control over its foreign exchange resources, in order to promote the most effective application of Afghan dollar resources to purchases of capital goods and technical aid required for development projects.

The Afghan Government has been granted an Export-Import Bank loan of \$21 million for irrigation, agricultural expansion, and related development in the Helmand River Valley. One of our objectives in assisting Afghanistan in developing its natural resources and otherwise increasing its agricultural and industrial production is to increase its total exports, reduce its dependence on the karakul trade, which has been subject to wide fluctuations, and to improve it as a market for foreign products. Such improvements, however, will be materially limited until the elimination of present transit difficulties in Pakistan, through which the bulk of Afghan foreign trade must pass. The Department should not support further loans to Afghanistan until there is a marked improvement in Afghan-Pakistan relations.

Subject to this proviso and the successful utilization of the present loan, the Department should continue to support serious consideration by the Export-Import Bank of loan applications for individual projects designed to increase Afghanistan's agricultural output, especially wheat, the main item in the diet of the people, and to develop suitable industries where private capital is not available. We have indicated to the Afghans our willingness to support an Afghan application for membership in the International Monetary Fund and Bank.

In addition, we should help Afghanistan to obtain technical assistance with emphasis upon the training of Afghan personnel in the United States. The major fields in which other Point IV⁴ or UN technical assistance is needed are agriculture, public health, education, transportation, and exploitation of mineral resources. A US firm is now engaged in irrigation projects and other construction under contract with the Afghan Government. We should continue to support US private enterprise in appropriate ways in its efforts to maintain cordial and efficient working relations with the Afghan Government.

⁴ A Point Four General Agreement for Technical Cooperation with the Afghan Government was signed at Kabul on February 7. For text, see *United States Treaties and Other International Agreements* (UST), vol. 2, p. 592; for description, see Department of State *Bulletin*, February 19, 1951, p. 299.

The lack of adequate supplies of both solid and petroleum fuels is one of Afghanistan's most serious handicaps. Through PL 402⁵ and Point IV a small but reasonably promising start has been made by a US engineer from the Bureau of Mines in increasing coal output. Afghanistan hopes for UN technical assistance in the development of good petroleum prospects and the United States has encouraged Afghanistan to seek assistance from this source. No foreign private capital is likely to be forthcoming for development, however, and at present internal economic rivalries appear to obstruct the use of available Afghan financial resources for this purpose. In the absence of other external financing, we would favor carefully planned Afghan investment in the development of this natural resource. Until its petroleum is developed, Afghanistan will remain totally dependent upon Pakistan and the USSR for petroleum supplies and hence for internal transportation and distribution. On the other hand, the development of certain of the country's mineral resources, particularly deposits of chrome, talc, and lead-zinc ores, may prove attractive to US private enterprise.

In accordance with our general policy, we submitted to Afghanistan early in 1948 a draft Treaty of Friendship, Commerce, and Navigation which, however, they have indicated is not acceptable, as it is too comprehensive and might pave the way for the USSR to demand privileges it does not now enjoy. We are considering the advisability of drawing up a special form of treaty which would take into account the conditions, problems, and circumstances of countries such as Afghanistan. In accordance with our policy in favor of broad participation in the General Agreement on Tariffs and Trade, we shall encourage Afghan accession to the Agreement at the earliest possible time.

The Afghan Government has a continuing interest in the establishment of an air service connecting Kabul with South Asian and Near East gateways. Despite our interest in adequate air connection for this land-locked country, the lack of communications, navigational aids, and weather service facilities, as well as the low traffic potential, would make the operation of a scheduled service prohibitive in cost. We believe that a more practical method lies in the establishment of a small Afghan airline, which could operate with minimum facilities, to develop the air traffic potential of the area at relatively low cost. We would be disposed to lend appropriate diplomatic and/or technical assistance in its establishment along these lines.

⁵ Public Law 402, the United States Information and Educational Exchange Act of 1948, approved January 27, 1948; 62 Stat. 6.

C. RELATIONS WITH OTHER STATES

As a small, land-locked, and undeveloped country, Afghanistan is dependent upon neighboring countries for access to the rest of the world and is without defense adequate to meet aggression by a strong foreign power. It might, therefore, be expected to cultivate close and friendly relations with its neighbors. It tends, however, to concentrate its fears on these neighbors. As a small country, its diplomatic efforts traditionally aim at playing off states with rival interests in Afghanistan against each other, at the same time enlisting the support of remote powers. Afghanistan has long feared the USSR, and although it mistrusted the British, it regarded the latter as an offset to Soviet encroachment. Since Pakistan lacks a comparable international status it has not succeeded to the British position as a counterpoise to the USSR. It has, however, inherited all of the Afghan suspicion to which the British were subject. This situation, aggravated by a dispute involving the status of tribal groups along the Afghan-Pakistan border, strongly affects relations between the two countries and influences Afghanistan to fortify its position by cultivating the United States and India, and by looking toward the United Nations as a possible means of drawing public attention to its claims. Since the partition of India, Afghanistan has strenuously objected to the integration into Pakistan territory of Pushtu-speaking tribal elements west and south of the Durand Line.⁶ Afghanistan has agitated continuously in an effort to validate its interest in the area, to substantiate assertions that the area ("Pushtunistan") is a political entity not subject to Pakistan's authority, and to raise questions as to the validity of the Durand Line as Pakistan's western and northern boundary. This problem, which so far has not yielded to numerous efforts at bilateral negotiations, involves the issue generally referred to as "Pushtunistan".

Our interests would be seriously prejudiced by the failure of Afghanistan and Pakistan to reach an accord on matters of tribal status and treatment. We are continuing to urge the fullest utilization of the machinery of bilateral negotiation, including conversations without pre-conditions.

Access to foreign markets and sources of supply through Pakistan is essential to the Afghan economy and to continued Afghan orientation toward the West, especially as there is no such access through Iran at present. We should continue to encourage Afghanistan to settle its differences with Pakistan and to promote the regional cooperation which will preclude its excessive commercial dependence

⁶ The boundary line between British India and Afghanistan drawn up by a British mission under Sir Henry Mortimer Durand and agreed to by Amir Abdur Rahman Khan of Afghanistan in 1893.

upon the USSR which has obvious implications for Afghan independence.

As a result of conflicts with Pakistan on the part of both India and Afghanistan, there are indications that the former functions as a partner with Afghanistan in its sustained agitation over the status of the tribal areas along the Afghan-Pakistan border with an intensity that appears to parallel the course of the India-Pakistan dispute over Kashmir. While the Indian Government officially deprecates the Afghanistan-Pakistan controversy and denies furnishing support therefor, it has been receptive to Afghan views on the subject of "Pushtunistan" and has freely allowed anti-Pakistan propaganda by Afghans within India. A Treaty of Friendship ⁷ has been concluded between India and Afghanistan and ratification of a trade treaty is pending.

The disappearance of the integrated defense system for the Indian subcontinent which existed under British rule underlines the need for an entente among Afghanistan, Pakistan and India which would enable them to concert their defensive arrangements as a matter of common concern in the face of international Communist gains.

Afghanistan continues to maintain toward the USSR an attitude of cautious correctness combined with firm resistance to Soviet efforts at penetration. The best obtainable evidence indicates that ethnic minorities north of the Hindu Kush lack both the initiative and the means effectively to revolt against the government. It is possible, however, that the USSR might be tempted to detach from Afghanistan these groups which are contiguous to corresponding ethnic groups in the USSR. Present proselytism by Afghanistan in the Pathan tribal area appears to provide an opportunity for similar Soviet activity in northern Afghanistan. Afghan leaders are aware of the need for vigilance in their dealings with other states to create no situation or precedent of which the USSR might take advantage, but have failed to apply this principle in their approach to the problem of the tribal areas south and east of Afghanistan. So far, Soviet pressure has not been severe nor has Soviet influence in Afghan territory contiguous to the Soviet Central Asian Republic been extensive. The United States should encourage, however, any moves which the Afghan Government might make toward improving the administration and economic conditions in these areas so as to offset any latent dissidence which may exist and to lessen the chances of Soviet penetration. It should also take occasion to remind the Afghans of the opportunities for Soviet exploitation of any agitation the Pakistan border area

⁷ Treaty of Friendship between the Government of India and the Royal Government of Afghanistan, signed at New Delhi on January 4, 1950; text in United Nations Treaty Series, vol. 81, p. 75.

affords. Our assistance in economic and other fields, by strengthening Afghan confidence in western support and reducing Afghan economic dependence on Soviet Russia, will tend to encourage Afghan resistance to the USSR.

In the event of actual USSR encroachment upon Afghanistan or indications of aggressive intentions, the United States should: 1) initiate conversations with Afghanistan, Pakistan and India to ascertain their reactions to prompt UN consideration and action; 2) consider what military assistance might be practicable with a view to prolonging guerrilla resistance within the country; and 3) consult with India and Pakistan concerning measures to be taken jointly or with the assistance of third countries for the defense of the approaches to the subcontinent. One of the UN facilities that might be utilized in connection with any aggressive USSR activities is the Peace Observation Commission which might ascertain and report the facts.

Relations between Iran and Afghanistan have improved as evidenced by the willingness of the Shah ⁸ to extend his good offices in the Afghan-Pakistan dispute, and the recent friendly discussions in Washington which resulted in the establishment of the Helmand River Delta Commission.⁹ Settlement of the Helmand problem could become a further significant step toward more cordial relations between the two countries. Construction of adequate water storage along the upper Helmand, which has first priority in Afghan plans for economic development, is of vital interest to the Iranian province of Seistan. Although geographic factors are not favorable, an alternative route to the sea through Iran would go far toward relieving Afghanistan of the great economic and political difficulties arising from its landlocked position.

Afghanistan's mistrust of the United Kingdom is accentuated by the belief that its interests were disregarded by the British in the arrangements for the transfer of power to the Dominions of India and Pakistan, and by the belief among Afghan officials that Pakistani intransigence toward Afghanistan is being encouraged by British interests. While continuing discussions and exchange of information with the British concerning common interests in Afghanistan, we should recognize their special interest in Afghanistan's southern neighbor and should avoid the appearance of close association with British policy and interests in Afghanistan.

French cultural activities in Afghanistan, which lapsed during the war, have revived strongly. Among foreign influences Afghanistan welcomes that of the French predominantly in the fields of medicine, education, and archaeology. There has been evident a local French

⁸ Mohammed Reza Shah Pahlavi.

⁹ For information, see the editorial note, vol. v, p. 1459.

tendency to disparage US cultural and technical achievement as well as efforts of French interests to enter the petroleum and mineral development fields.

The lower cost of employing German, Austrian and Italian technicians and their readiness to accept Afghan conditions has tended to create a preference for them over US personnel among some prominent Afghans who have had European training. While American interest in Afghanistan does not aim at the exclusion of technical assistance by nationals of other democratic countries friendly to the United States, we should strive to maintain the US reputation for excellence in this field. This would be strengthened by ensuring the most careful selection of US scientific, technical, and educational workers in Afghanistan, and by using all appropriate means to promote the efficiency of their operations.

During the last year Afghanistan has, in general, supported the United States and the Western democracies in the United Nations when it would not seriously jeopardize her relations with the USSR. In such latter instances, Afghanistan has usually abstained from voting on the proposals for UN action.

D. POLICY EVALUATION

Afghanistan may be expected to move toward neutrality in the event of further deterioration in the world situation and to proclaim its neutrality formally should the United States become involved in war with Communist China or the Soviet Union. The urgency of the situation with respect to Afghanistan's national security would determine the speed with which its Government would gravitate toward neutrality. Once established, this position would probably be followed by a period of watchfulness for a suitable opportunity to align itself with the winning side.

If such a war appears imminent, the United States might consider proposing to the Afghan Government that it hold in abeyance its differences with Pakistan and Iran "for the duration". This would greatly assist in creating conditions for the regional cooperation which would be essential in the face of possible Communist expansion southward.

The policy of economic assistance which the United States has pursued toward Afghanistan is emerging from a formative stage with generally positive results. With only a few years of active interest in Afghanistan, US activities have inevitably encountered some difficulties. Nevertheless Afghan confidence and interest in US cooperation has persisted and, as advantage is taken of past experience, a continuation of generally good US-Afghan relations and in increasing attachment to Western concepts may be expected. The effectiveness of our assistance appears to be conditioned largely by our ability to maintain

an impartiality and independence of opinion regarding Afghan problems, together with a sympathetic awareness of the numerous difficulties peculiar to their geographic and ethnographic position.

The development of Afghan confidence in the United States along these lines, especially if reinforced by a program of economic and technical assistance leading to concrete results, should lend permanence to the influence we currently enjoy. Thus it should be possible to give effect to US views with increasing frankness even when they may be at variance with those of the ruling oligarchy.

Economic and political progress in Afghanistan is hampered by a conservative, often reactionary, ruling group, and by the lack of educated manpower. We should, therefore, encourage the growing influence of educated, liberal Afghans, while carefully avoiding any impression that we wish to perpetuate a particular regime in power.

US ability to supply military equipment might furnish an inducement toward a further *rapprochement* between Afghanistan and Pakistan, once some progress has been made in settling their differences. If such progress becomes evident, the United States should be prepared to consider a formal request for assistance in obtaining this matériel. Any US response to such a request should likewise be related to contributions Afghanistan might make to South Asian defense in the form of guerrilla activities. An accurate appraisal of such possible contributions might have to await Afghan acceptance of our suggestions that they send military personnel to US service schools and station a Military Attaché here.

While our effort to avoid the appearance of arbitrary pressure and to refrain from use of material inducements as leverage to accomplish political aims has so far been helpful, it may be that a situation such as that between Afghanistan and Pakistan will indicate the desirability of using, in the future, offers or denials of both economic and military assistance as inducements to an attitude of greater international cooperation.

It seems likely that the Afghan Government will renew its program of recruitment for American teachers on a limited scale. The benefits and disadvantages of this program should be carefully reviewed before we encourage the Afghans to believe that we might make it more effective through the allocation of Smith-Mundt funds¹⁰ for limited grants-in-aid designed to parallel those of the British and French programs.

¹⁰ Funds provided under Public Law 402, which was popularly known as the Smith-Mundt Act after its original cosponsors, Senator H. Alexander Smith of New Jersey and Representative Karl E. Mundt of South Dakota.

CEYLON

UNITED STATES POLICY WITH RESPECT TO CEYLON: INTEREST IN ESTABLISHING COMMUNICATIONS FACILITIES IN CEYLON; CONCERN OVER THE SHIPMENT OF RUBBER FROM CEYLON TO COMMUNIST CHINA¹

611.46E/2-1351

*Department of State Policy Statement*²

TOP SECRET

[WASHINGTON,] February 13, 1951.

CEYLON

A. OBJECTIVES

Our fundamental objectives with respect to Ceylon are the development of enduring friendly relations, the continuance in power of a non-Communist government, the continuance of Ceylon's close relationship with the UK and the Commonwealth, and the strengthening of Ceylon's ability and determination to maintain peace and resist Communist imperialism. We would like to see Ceylon develop an attitude which would enable the US to obtain, and the UK to retain, facilities required in time of peace or in the event of war, and which would prevent the USSR from obtaining any form of military support or other assistance from Ceylon. We desire increased Ceylonese responsibility for the solution of its problems, and further development of economic and political institutions along democratic lines.

B. POLICIES

It is US policy to encourage Ceylon to maintain its close ties with the Commonwealth, to expand its foreign relations, and to develop a sense of responsibility in the field of foreign affairs. Ceylon may be expected to uphold the UK-Commonwealth point of view in this field.

¹ For related material, see pp. 1650 ff.

² Department of State Policy Statements comprised a category of documents summarizing the current United States policy toward, the relations of principal powers with, and the issues and trends in a particular country or region. The Statements were intended to provide information and guidance for officers in missions abroad. They were generally prepared by *ad hoc* working groups in the responsible geographic offices of the Department of State, were referred to the appropriate diplomatic missions abroad for comment and criticism, and were periodically revised.

Ceylon has a parliamentary form of government. The terms of the Ceylon Independence Act of 1947³ conferred on it the same status as that of the other Dominions of the British Commonwealth. Its Government is conservative, representing the concentrated power of family, land and money. It is stable and competent. There is freedom of the press and freedom of political action. Although all parties have legal status at the present time, the Government has under study the question of the desirability of banning the Communist Party.

The Communist Party of Ceylon (CPC) was established in 1943 and is headed by active, intelligent, and clamorous leaders. It does not appear to have great organization in depth and has not yet shown evidence of wielding a dangerous degree of power or influence. At present the Party is reorganizing and preparing for underground work. Publications, and perhaps directives, are received through the Communist Party of India (CPI) and the CPC may be presumed to be working with the CPI.

Ceylon has, in addition to the Communist Party, a Marxist Party, the Lanka Sama Samaja, and a splinter group from the latter organization. These parties have been unable to agree on anything but opposition to the Government. We hope, and it seems possible, that the groups will remain divided.

Other parties which have shown leftist tendencies and are usually in opposition to the Government are the Tamil Congress and the Ceylon Indian Congress, representing the large Indian minority in Ceylon. The Government of Ceylon is alive to the danger of Communism and is taking reasonable steps to combat it, while at the same time it has demonstrated a sensitivity to the perpetual leftist attacks to which it is subjected. It is our policy to assist the Government in combatting this menace, particularly by providing it with counter-propaganda which it has requested.

Ceylon has a higher literacy rate than its neighbors and is generally prosperous when its export products command high prices as at present. Nevertheless, some outside assistance is needed for economic development. The Government has taken a great interest in development programs and has worked actively for a Commonwealth plan for aid to South and Southeast Asia,⁴ of which it will be a beneficiary. Headquarters for the technical assistance aspects of this plan are being set up in Colombo by the Commonwealth. Ceylon has made ambitious but poorly coordinated plans for its economic development. It is our policy to encourage the Ceylon Government to under-

³ December 10, 1947; text in Nicholas Mansergh, *Documents and Speeches on British Commonwealth Affairs, 1931-1952* (London, Oxford University Press, 1953), vol. II, p. 751.

⁴ The Colombo Plan, a report published on November 28, 1950 by the British Commonwealth Consultative Committee on South and Southeast Asia calling for the economic development of the area.

take a survey of economic development potentialities as the basis for coordinated programs; to help Ceylon obtain American experts; to render assistance under Point IV and other programs in its efforts to develop its human and material resources; and to coordinate any US assistance programs with programs of the Commonwealth and the United Nations. Our assistance to Ceylon should include projects which have a popular appeal in Ceylon and promise early and concrete results. Ceylon is the first country to conclude a standard Technical Cooperation Agreement with the US under the Point IV program. The Agreement was signed on November 7, 1950.⁵

The US has suggested to the Government of Ceylon the possibility of negotiating a treaty of Friendship, Commerce and Navigation. Treaty relations between the US and Ceylon are at present based on US-UK treaties applicable to Ceylon under the External Affairs Agreement between the UK and Ceylon signed November 11, 1947.⁶

Ceylon exports chiefly tea, coconut products and rubber, while it imports nearly all manufactured goods and about half of its food supply. Its trade is principally with the Commonwealth countries, with the UK having the largest share. We desire Ceylon to continue its trade with friendly countries and to cooperate in denying resources to the Soviet bloc.

With present high prices for primary products, Ceylon is one of the more prosperous Asian countries and spends relatively more on educational and other social services than its neighbors. Like the Indian and Pakistan budgets, however, the Ceylon budget is declared "balanced" only by a fiction. The Central Bank of Ceylon was opened in August 1950. Its first Governor is an American who was a member of the staff of the Board of Governors of the Federal Reserve System and had been originally loaned to the Government of Ceylon to assist in setting up its Central Bank.

Ceylon is attempting, and we support efforts in this direction, to become more nearly self-sufficient as regards food supplies. Its most ambitious project, the Gal Oya Development scheme, is intended to open up land for resettlement and cultivation. An American firm, Morrison-Knudsen, is constructing a dam, a small power plant and irrigation canals for watering 65,000 acres of rice and farm land as part of this project. An American engineer from the Bureau of Reclamation is beginning his third year as an adviser on this project under PL 402.⁷

Ceylon is dependent upon outside assistance for defense against aggression. Under the terms of the UK-Ceylon Defense Agreement

⁵ The text of this agreement is in *United States Treaties and Other International Agreements* (UST), vol. 1, p. 723.

⁶ The text of this agreement is in Mansergh, *Documents*, vol. II, p. 750.

⁷ Public Law 402, the United States Information and Educational Exchange Act of 1948, approved January 27, 1948; 62 Stat. 6.

of November 1947,⁸ the two governments undertake to "give to each other such military assistance for the security of their territories, for defense against external aggression and for the protection of essential communications as it may be in their mutual interest to provide." The Government of Ceylon undertakes to grant to the Government of the UK all necessary bases and facilities as agreed for the above purposes, and the UK undertakes to furnish such military assistance as may be required towards the training and development of Ceylonese armed forces.

Ceylon has requested a small amount of military equipment from the US and has asked the UK to consider bringing the US into arrangements for increasing the strength of Ceylon's armed forces. The UK has been noncommittal on the latter point. Because of our urgent and important need for communications facilities⁹ in Ceylon, we recognize that we may have to extend at least token assistance, complementary to assistance furnished by the UK to Ceylon. Ceylon's armed forces are of negligible size and less than three percent of its total budget is earmarked for defense. The UK has been urging Ceylon to accept more responsibility for its defense. We concur in this policy.

We support Ceylon's application for membership in the United Nations, an application which, like those of several other nations, was vetoed by the Soviet Union. Ceylon's wish to become a member of the UN has become part of the general question of the admission of new members. The US will continue to work for Ceylon's admission along with that of other countries which we feel should be admitted but whose applications have been opposed by the USSR. Ceylon is a member of various UN organizations, such as the UN Economic Commission for Asia and the Far East, the International Labor Organization, World Health Organization, and the Food and Agriculture Organization. It adheres to the General Agreement on Tariffs and Trade and is a member of the International Bank for Reconstruction and Development and the International Monetary Fund.

Ceylon has applied for membership in the Far Eastern Commission (FEC) and has expressed its interest in Japanese peace treaty negotiations. There appear to be insuperable obstacles at this time to membership in the FEC because of the requirement of unanimous consent of present member governments which include the USSR and Nationalist China. (Ceylon has recognized Communist China.) Our policy at this time is to ensure that Ceylon has an opportunity to

⁸ The text of this agreement is in Mansergh, *Documents*, vol. II, p. 749.

⁹ Material on efforts by the U.S. Government to obtain communications operating rights in Ceylon is in Department of State file 711.56346E. An agreement concerning U.S. use of the facilities of Radio Ceylon was effected by an exchange of notes signed at Colombo on May 12 and 14, 1951; see text in 2 UST 1041.

express its views on the Japanese peace treaty at the same time as such Asian non-FEC members as Indonesia and before peace treaty provisions become final.

US relations with Ceylon since its independence have been friendly, though there has been a considerable amount of nationalistic anti-western feeling and a reluctance to grant concessions to the US. Ceylon has adopted the position that the UK and US have an inherent responsibility and obligation for assisting its economic and military development. It is our policy to discourage this concept and to encourage Ceylon to accept more responsibility for its own destiny.

C. RELATIONS WITH OTHER COUNTRIES

Ceylon is a member of the British Commonwealth, and its most valued and closest ties are with the UK and members of the Commonwealth. It has exchanged diplomatic missions with the UK, Australia, India, US, Burma and France. Within the Commonwealth it is far more inclined to follow the lead of the UK than that of India. Although it appears to regard India as the rising leader of South Asia, it distrusts India and Indian Prime Minister Nehru and fears India's designs for "leadership" as likely to menace Ceylonese independence. Next to this, perhaps the most serious matter affecting India-Ceylon relations is the status in Ceylon of some 850,000 Indian Tamils, employed for the most part on tea and rubber estates. This large group has not in general been assimilated into the Ceylonese population, appears to be more loyal to India than to Ceylon, has demonstrated some sympathy toward communism and opposition to the Government, and represents a drain on Ceylon exchange through remittances to India. Measures were taken by Ceylon, such as the "Indian and Pakistan Residents (Citizenship) Act," the "Exchange Control Regulations for Indian Residents," and the program of restricting employment to nationals of Ceylon in order to alleviate some of the problems created by this group. The measures were regarded so seriously in India that they became a subject for discussion between the two Governments. As a result Ceylon has modified the Indian and Pakistan Residents (Citizenship) Act and the Ceylonization program, and India has agreed to withdraw from Ceylon officials employed by the Indian High Commission in Ceylon to assist Indian Tamils in obtaining Ceylon citizenship.

The Prime Minister of Ceylon¹⁰ has stated on numerous occasions Ceylon's desire to remain within the Commonwealth. This desire is based on the realization that Ceylon alone is defenseless against aggression from whatever quarter, the fear of internal Communist activities and appreciation of the continued usefulness of British

¹⁰ Don Stephen Senanayake.

capital which has built up the tea industry and brought about such economic development as exists in Ceylon. Under the terms of its External Affairs Agreement with the UK of November 1947, Ceylon is given the full international status of a Dominion and appoints its own diplomatic representatives. Where the Government of Ceylon has so requested, the UK has arranged for its representatives to act on behalf of Ceylon in those countries where Ceylon has no diplomatic representatives.

Ceylon has not been very receptive towards the idea of a Pacific Pact or regional organization because of its fear of India, which might be the most powerful member of such an organization, and because of a feeling it would not be very effective without UK or US participation. Should the UK or US take a leading part in such an organization, Ceylon would probably adopt a warmer attitude toward it.

Ceylon has followed the UK lead in extending recognition to Communist China. The Prime Minister has stated, however, that this step was merely recognition of the fact of Communist China's existence and not an indication of sympathy with it. With respect to Indochina, the Prime Minister stated in a secret conversation with our Ambassador that Ceylon supports the Vietnam Government and recognizes the necessity of working through the French as well as directly with the Vietnamese. Ceylon has carried on very friendly relations with Burma, from which it imports a large part of its rice supply, lent it sacred Buddhist relics, and participated in the Commonwealth loan to Burma. Ceylon has also shown an increasing interest in Japan and in a Japanese peace treaty. Japan's geographical remoteness from Ceylon leads it to regard that country with less fear than it regards India.

Ceylon has no diplomatic relations with the USSR or with the satellite countries. The Soviet veto of Ceylon's application for UN membership has been a great disappointment to Ceylon. Within recent months Ceylon has refused to allow Czechoslovakia to establish a legation in Colombo. That country, like the USSR, has opposed Ceylon's application for UN membership on the ground that it is not an independent state. The present Government of Ceylon has shown no desire to establish diplomatic relations with the USSR or its European satellites.

D. POLICY EVALUATION

Ceylon is believed to consider its relations with the US as secondary to those with the UK. Nevertheless, it has not hesitated to make, directly or indirectly, requests of the US, some of which reveal a non-comprehension of US policies and actions and considerations underlying those policies and actions. We have been able to assist in obtaining the services of experts for Ceylon, and are in the process of

extending some assistance under Point IV and through our contributions to UN assistance programs. Ceylon is very much interested in developing its agricultural resources and small industries and in obtaining assistance for that development. Its planning, however, is not effective. In order to ensure maximum usefulness of technical assistance we shall have to examine carefully requests made of us by the Government of Ceylon and coordinate our assistance program with those of the Commonwealth and the United Nations.

We have sought from the Government of Ceylon communications operating rights for the Department of Defense. The Government of Ceylon has failed to act on the original request made in 1949, indicating it wished to defer discussion until after a complete understanding had been reached with the UK on interpretation of the UK-Ceylon Defense Agreement. This understanding has not yet been reached. The Government of Ceylon has not, in any event, demonstrated a sympathetic attitude toward our needs. In order to bring about a more well-disposed attitude we must build up Ceylonese confidence in the US and an understanding of US integrity and the wisdom of its policies.

Ceylon's relations with the UK and the Commonwealth are close and valued. We have not wished to unbalance that relationship nor have we deliberately taken any actions that might tend to do so. It does not appear that Ceylon needs encouragement in continuing this relationship, though it has appeared at times to be attempting to play the US off against the UK.

The Government of Ceylon, without particular urging from the US but with some assistance as regards information and counter-propaganda, is attempting to strengthen its position vis-à-vis internal Communist encroachments. It has shown itself unsympathetic towards domestic and foreign communism and may be expected to deny the USSR any military support or other assistance.

711.56346E/2-1951 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

TOP SECRET

COLOMBO, February 19, 1951—6 p. m.

368. For Secretary and Under Secretary. Kerrigan of VOA this morning showed me instructions indicating that Department wants him explore possibility establishing million watt relay broadcasting station in Ceylon. As indicated my 367, February 19¹ I have instructed

¹ Not printed.

him not mention this subject Ceylon officials until my instructions requesting permission Ceylon Government for construction large USAF transmitting and receiving radio stations can be clarified in view obvious confusion which would result from making two such requests at about same time.

Project for powerful VOA transmitter offers certain obvious advantages to Ceylon, probably requires service of only 25 to 30 American technicians and if based on pattern Salonika station would in no way be derogatory Ceylon sovereignty.

Request on other hand for USAF stations requiring almost 400 USAF personnel with no "quid pro quo" has little if any prospect being granted. If we nevertheless make formal request for authorization construct such facilities here it is extremely unlikely in my opinion that our request for either USAF or VOA stations will be granted.

Ceylon is indeed a small and helpless country but any misstep on our part in treating her as such may not only seriously upset our relations with all South Asia but also weaken British position here.

I had already in my 361 February 16 recommended postponing requesting for USAF station until completion VOA negotiations for leasing time on radio Ceylon and termination SOA conference.² In view this new factor of desire VOA for powerful broadcasting transmitter I feel that question advisability making request for USAF facilities should be reviewed at top level in Department. Presence in Nuwara Eliya in few days of McGhee,³ Henderson,⁴ Warren,⁵ Merrell,⁶ Kennedy⁷ and myself gives unique opportunity for consideration this problem by those who will be most directly affected by any decision reached. I accordingly suggest you authorize me present this problem to aforementioned group with request they present their recommendations to Department.⁸

SATTERTHWAITE

² Reference is to the South Asian Regional Conference of United States Diplomatic and Consular Officers, which was held in Nuwara Eliya, Ceylon from February 26 to March 2. The agreed conclusions of this conference are printed on p. 1664.

³ George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

⁴ Loy W. Henderson, Ambassador to India.

⁵ Avra M. Warren, Ambassador to Pakistan.

⁶ George R. Merrell, Ambassador to Ethiopia; Ambassador-designate to Afghanistan.

⁷ Donald D. Kennedy, Deputy Director of the Office of South Asian Affairs.

⁸ In telegram 250 to Colombo, February 21, not printed, the Department of State authorized the discussion as requested (711.56346E/2-1951).

711.56346E/3-251 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

TOP SECRET

COLOMBO, March 2, 1951—4 p. m.

398. Question of communications facilities for USAF in Ceylon was discussed by group mentioned Embtel 368, February 19, plus Eller¹ and Palmer² representing Defense Department and London Embassy respectively at SOA conference. Conclusion reached that in view importance these facilities to USAF, GOC should be requested furnish them in spite uproar such request should it become known would undoubtedly cause in some SOA countries, especially India.

It was general feeling, however, that before elaborating proposals approach to GOC should be made most informally and secretly with view sounding out GOC on its views toward obtaining such facilities. McGhee and Kennedy both share this view.

On assumption Department agrees with foregoing, I am prepared take up matter with Vaithianathan³ as soon as further guidance requested Embtel 361, February 16,⁴ is received.

Possible conflict between this request and Department's plan explore possibility establishing million-watt VOA broadcasting station in Ceylon is apparently postponed by recommendation made by Kerrigan that we limit present approach to GOC to proposal he has already made that we furnish Radio Ceylon with three 35 KW short-wave transmitters in return for use desirable time on Radio Ceylon.

SATTERTHWAITE

¹ Capt. Ernest M. Eller, U.S.N., Commander Middle East Force.

² Joseph Palmer 2d, First Secretary of Embassy in the United Kingdom.

³ Sir Kanthiah Vaithianathan, Permanent Secretary of the Ceylon Ministry of External Affairs.

⁴ Telegram 361 from Colombo, February 16, not printed, requested confirmation of several additional points concerning the proposed facilities (711.56346E/2-1651).

711.56346E/3-1351 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Secretary of State

TOP SECRET

LONDON, March 13, 1951—6 p. m.

4900. Re Deptagam A-1323, February 2.¹ UK reply our approach

¹ No. A-1323 to London, February 2, not printed, instructed the Embassy, in its discretion, to inform the appropriate British officials that the U.S. Government was requesting the Government of Ceylon to grant communications facilities to the U.S. Air Force and to enlist if possible the support of the U.K. Government for this request. The Department of State desired to know, in any case, the position the U.K. Government would take with the Government of Ceylon on this matter. (711.56346E/2-251)

for British support, reported Embtel 4372, February 10,² given us yesterday by CRO following consultation with Foreign Office and War Office. UK unwilling take initiative in urging Ceylonese grant US request for communications facilities, and believe gratuitous interference would only meet with rebuff. However, UK would be willing support request if its advice sought by Ceylon, as British officials think probable. They suggest US Ambassador in approach to Ceylonese, inform them UK apprised of US requirements and suggest they consult with British. While UK willing give favorable advice if approached, it feels it needs further details about purpose US requirements to be effective in persuading GOC. (UK so far has only information contained paragraphs *a-e* and all but last sentence of immediately following paragraph of Department instruction 31, February 2 to Colombo).³

British officials, in giving us reply, pointed to continuation their own difficulties in concluding defense settlement with GOC and said it would be unwise over-estimate influence UK can bring to bear on our behalf. If UK intervened without being asked by Ceylon, British officials are sure GOC would remind UK that Ceylonese neutrality already compromised by defense rights given UK and that it is impossible grant facilities to third power. British feel Ceylonese would claim this would give India opportunity to ask for special position. Ceylonese have underlying suspicion GOI intentions (which seem to cause them more concern than Soviet threat) and danger of Indian reaction was lone point cited (although CRO inclined believe mainly for bargaining purposes) when Ceylonese resisted British demands during London discussions at time recent Commonwealth Prime Ministers' meeting.

² Telegram 4372 from London, February 10, not printed, stated that the Embassy had informed Mr. J. J. S. Garner, Assistant Under Secretary, Commonwealth Relations Office, in accordance with the instructions in airgram A-1323. Garner promised to look into the matter and give the Embassy a reply within the next few days. (711.56346E/2-1051)

³ Not printed. The portion of instruction 31 under reference read as follows:

"*a.* The total space requirement for the transmitter area, communications center and administration area is 275 acres.

"*b.* The total space requirement for the receiver area is 470 acres.

"*c.* The total personnel contemplated for the activities under paragraph *a.* above is 245.

"*d.* The total personnel contemplated for the activity under paragraph *b.* above is 133.

"*e.* The estimated value of the structures to be erected—assuming no existing facilities available—is \$3.2 million.

"The above stated figures should be considered as purely planning estimates developed with no specific knowledge of conditions in Ceylon. 'Antenna farm' acreage may vary substantially from the above figures since it will depend upon terrain features of the selected areas. Similarly, requirements for new construction will be dependent upon the availability of existing facilities. No firm figures can be developed until an on-site survey can be made." (711.56346E/2-251)

Re UK's own negotiations, CRO confirmed that fundamental problem is over bases, which UK wants GOC purchase and turn over to UK for use without charge. In return, GOC is asking for what UK considers exorbitant amount naval equipment (as well as supplies for land and air forces, which James, civil head Defense Department CRO, says are in more reasonable amounts). GOC wants three frigates (destroyer type), twelve coastal minesweepers, and six seaward defense boats as "ultimate requirement" which UK should agree supply. CRO estimates cost would be about pounds 5 million. UK's offer to GOC was that it would supply equipment equivalent in cost to purchase price for bases, which UK places at about pounds 800,000. This would include one frigate, antiaircraft radar equipment, small arms for one rifle company, four Harvards and eight Spitfires, and UK would also write off cost of heavy ack-ack equipment already supplied.

There has been no progress in negotiations since time Commonwealth Prime Ministers' meeting and CRO officials presently studying next move. They may recommend take-or-leave-it offer, but would want UK Ministers first decide whether UK willing accept stalemate over bases should GOC reject offer. Heretofore, negotiations have been based on assumption that agreement would eventually be reached. Re Ceylon's commitment furnish bases, one CRO official has explained there is clear general undertaking to this effect pursuant to terms 1947 agreement, but that difficulty arises from broad wording agreement which has made it difficult pin GOC to specifics. Ceylon Prime Minister argued in London that British bases made Island enemy target which it would not otherwise be and that he had to give proof to his public that Ceylon's own security adequately provided for.

Comment: Embassy believes UK desire help is sincere and that support our request will be willingly given if British advice sought by GOC, as we should try ensure. There does appear, however, be validity to UK contention it must know more about USAF intentions to be really helpful.⁴

Sent Department 4900, repeated information Colombo 38.

GIFFORD

⁴ A memorandum of April 4 by Mr. Frederic G. Ranney of the Office of British Commonwealth and Northern European Affairs, addressed to the Director of that Office, Mr. G. Hayden Raynor, and to Mr. Robert D. Coe, also of that Office, read in part as follows:

"I have discussed the attached telegram [telegram 4900 from London, March 13] with Miss [Mildred M.] Yenchius of SOA, who tells me that the whole question of military communication facilities in the Indian Ocean area is undergoing reconsideration in the Defense Department. It is now felt that further efforts to persuade the Ceylonese to grant us these facilities would be fruitless, in view of the fact that our negotiations have already dragged on for two years, even though the British have given us support throughout. Present thinking is to increase the establishment which the British have agreed to grant us at Aden." (711.56346E/3-1351)

493.46E/5-851: Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, May 8, 1951—5 p. m.

522. On basis London's 5807, May 8,¹ I told Vaithianathan, Permanent Secretary MEA, this morning I had read what appeared be well founded report that Chi Commie Govt had offered Ceylon quantity rice in return for rubber. While having no instructions discuss matter I hoped GOC wld realize unfortunate reaction its acceptance such proposal wld have on US Govt and people.

He confirmed GOC had read such proposal and was "toying with it". He cld not indicate what decision wld be but fact that rice was offered made proposal most tempting. Nevertheless, PriMin wld have rejected it out of hand except for his disappointment over failure Rome rubber talks ² and falling price rubber.

I said I cld not discuss merits Rome talks as we had read no report on them. I hoped however GOC wld recognize that US as largest rubber consumer had shown its goodwill in suggesting these talks and also formation comites for allocation scarce raw materials. Furthermore, present price rubber was still much higher than cld have been imagined possible at time my arrival here 18 months ago and that Price Planters Association official had indicated few weeks ago wld be satisfactory to planters if long-term agreement cld be reached. He acknowledged this was so.

I also expressed hope PriMin wld not overlook political implications offer this nature. Chi Commies had dollars and were apparently free purchase rubber here on open market. He confirmed this was so. Fact they offered rice, I continued, while Chinese were starving indicated their motives were other than purely economic.

From our standpoint Chi Commies were engaged in flagrant aggression against UN.³ While recognizing Ceylon not UN member this no fault Western powers and I sincerely hoped Ceylon wld not attach greater importance to failure reach agreement on rubber satisfactory to it than in retaining goodwill its friends.

Vaithianathan said he wld inform PriMin my views. While hopeful latter will accept wise counsel, I fear he still holds to view he ex-

¹ Telegram 5807 from London, May 8, read as follows: "According to Colonial Office here Ceylon has been approached during past few days by Commie China for barter 50,000 tons rice equivalent value rubber. Ceylon requested opinion UK Govt which expressed strong disapproval acceding to such an arrangement." (493.46E/5-851)

² Reference is to a meeting of the International Rubber Conference held in Rome, April 9-21.

³ On May 18, at its 330th plenary meeting, the U.N. General Assembly adopted resolution 500(V), calling for an embargo on the shipment of arms and strategic materials to areas under the control of the People's Republic of China and the North Korean authorities. Related documentation is scheduled for publication in volume VII.

pressed to McGhee (Embdes 654, March 8)⁴ that Ceylon shld not be expected make any major sacrifices re rubber unless major war breaks out.

Black⁵ has made discreet inquiries among certain key GOC officials who wld normally be consulted on question this matter. Fact they have no knowledge proposed rice-rubber deal indicates discussion being confined few officials at highest level. UKHC office has informed him that channel for offer was Chinese Commie Amb Rangoon⁶ to Ceylon Minister there;⁷ that they have informed GOC they wld deplore its acceptance offer; and that they donbt GOC will accept it.

Incidentally Vaithianathan said that formal recognition Commie Chi Govt by GOC has never been completed since GOC has never sent final confirming telegram requested by former.

Dept pass London, sent Dept 522, rptd info London 76.

SATTERTHWAITE

⁴ Not printed.

⁵ Myron L. Black, First Secretary of Embassy in Ceylon.

⁶ Yao Chung-ming, Ambassador of the People's Republic of China in Burma.

⁷ Susanta de Fonseka, Minister of Ceylon in Burma.

493.46E/5-1551 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, May 15, 1951—4 p. m.

545. Saw PriMin Senanayake and Perm Secy Vaithianathan yesterday at latter's request apparently as result my representations on rice-rubber proposal reported Embtel 522 May 9. Perm Secy read me portions ltr being sent by PriMin to unnamed Brit official possibly Attlee,¹ in which Senanayake recalled that at 1948 Commonwealth PriMin's mtg London he had recommended cutting off all trade with USSR and its satellites and that GOC had refused have any dealings with Sov trade mission which came to Ceylon 1949 at instigation local Brit firm. Purpose reading me this portion was apparently demonstrate that UK had only recently adopted policy recommended by Ceylon three years ago. However, Ceylon now seems feel UK has obligation towards Ceylon in implementing this policy to protect it from econ loss.

PriMin then emphasized that Ceylon's grouse was with UK rather than with US. He did, however, express keen disappointment over failure Rome rubber talks reach agreement and said he eld see little future for rubber in Ceylon in absence such agreement. I then gave them gist certain portions report on these talks contained Apr 30

¹ Clement R. Attlee, British Prime Minister.

issue *Current Economic Developments*² which we recd only yesterday. They seemed impressed by reasonable position we had taken at talks and confirmed that portions relating Ceylon's position were correct. Our discussion was inconclusive, however, and apparently its main purpose was to emphasize great importance PriMin attaches to maintenance reasonable rubber prices.

With ref to Chi Commie's proposal for rice-rubber deal, I again emphasized unfortunate reaction their acceptance wld have on US Govt and people. PriMin, while expressing sympathy for our position, shrewdly refused commit himself while Perm Secy remarked they might be compelled accept proposal in order sustain rubber prices. My impression is, however, they are taking this line in hope driving harder bargain with British.

Dept pass London. Sent Dept 545; rptd info London 78.

SATTERTHWAITE

² A classified weekly publication of the Bureau of Economic Affairs of the Department of State.

846E.2395/5-2351 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, May 23, 1951—5 p. m.

572. Upon my arrival at Kandy Sunday for visit with Governor Gen Lord Soulbury I found Home Min Goonetilleke also there. Ostensible purpose latter's visit was discuss King and Queen's visit Ceylon next Feb. Actually he seems have talked almost exclusively about rubber situation with emphasis on danger from Commie entailed by falling price and blow this time wld have on govts fortunes in next year's elections. In course discussion I pointed out to him and Governor Gen reasonable position US had taken at Rome talks. I also mentioned extremely unfortunate effect conclusion rice rubber deal with Commie China wld have on US (Embtel 522, May 9 and 545 May 15).

After Sir Oliver's departure Soulbury said he had been very much disturbed by picture painted by former of danger to Ceylon's economy from world rubber situation. He asked me whether it might not be possible in view failure Rome talks for US and Ceylon reach agreement on bulk purchase Ceylon's total output for several years at agreed price. He thought that in view serious econ sit if rubber continues fall GOC wld not be unreasonable about price. I replied that to best my knowledge US wld not be interested in reaching agreement with one country only and also expressed serious doubt about possibility reaching agreement on price on long term basis. Governor Gen nevertheless urged me to inquire.

Local press continues give such prominence to rubber situation with both conservative and left-wing papers urging free sale to Commie China that some official inspiration seems indicated. Important producers group adopted res to request GOC not to impose ban on rubber exports to China. Rubber circles report however that Commie China has so far shown no interest. Local Commie papers continue urge rice rubber deal with Commie China.

Important Tamil paper *Virakesari* stated editorially May 18: "at this hour when price rubber is falling America shows no sympathy. Though she has every right bargain she shld not try slash price rubber and thus expose us to Commie danger. Such policy is not only shortsighted but will also counteract America's efforts to win Asia's goodwill".

One purpose this editorial and similar articles may be of course to scare US and UK into maintaining reasonable price for rubber in order check spread Communism in Asia. Situation is not however without danger and merits most careful watching in view its influence on political thinking in whole SOA and SEA area which is inclined believe our motives are largely materialistic and selfish.

I assume from report on Rome talks in April 30 issue current econ develops and especially from Deptel 1267 May 18 to Djakarta¹ which I have just read that Dept wld not be disposed to agreement of type suggested by Governor Gen. As however a fixed price for rubber for fairly long term would tend assure pol's ability here and wld also have obvious advantages for us in case we request important concessions from GOC I urge that Governor Gen query be given serious consideration at high level and that Dept tel me its views.

Repeated info London 82.

SATTERTHWAITE

¹ Not printed.

846E.2395/6-1451 : Telegram

*The Secretary of State to the Embassy in Ceylon*¹

SECRET

WASHINGTON, June 15, 1951—9 p. m.

452. Embtel 572 May 23 and 619 June 14.² FYI only. Gen Wilson³ now in Asia and has negotiated with Thailand⁴ a rubber contract

¹ Repeated for information to London as telegram 5920.

² Telegram 619 from Colombo, June 14, read as follows: "Wld greatly appreciate early reply my 572 May 23 re possibility US-Ceylon Rubber Agreement as failure receive courteous and early reply, even if negative, to request from Ceylon's highest authority, wld naturally cause me considerable embarrassment." (846E.2395/6-1451)

³ Brig. Gen. Thomas B. Wilson, U.S.A.R., Special Consultant to the Administrator, General Services Administration.

⁴ For related documentation, see pp. 1594 ff.

covering eighteen months which subject some revisions. Dept is requesting Gen Services Admin consider he be sent Ceylon discuss what kind of contract cld be negotiated with Ceylon. Gen Services Admin tentatively indicates possible interest purchase of 4 or 5,000 tons a month from Ceylon for a short period. Dept recognizes this wld not be completely satis Ceylon since involves relatively short-term arrangement and further all purchases wld be at or near market price at time delivery. However, shld help Ceylon by absorbing some excess stocks and help stabilize market.

Request Emb comments for Dept only re acceptability this type contract.

This tel for Dept distribution only. Pls mark reply same.⁵

ACHESON

⁵ In telegram 637 from Colombo, June 18, the Embassy replied in part as follows: "Emb considers re Deptel 452, June 15 that: (1) Any step is valuable that might convince Ceylon US not unmindful of local rubber problem; (2) It is desirable Wilson visit Ceylon for discussion with Emb officials but with authority negotiate rubber contract. Arrival shld be unpublicized and as inconspicuous as possible." (846E.2395/6-1851)

493.46E9/6-2151 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, June 21, 1951—2 p. m.

646. In discussion yesterday re Kem amend¹ (Depeirtel 800 June 15)² Perm Sec MEA informed Emb rep:

1. He had discussed rubber embargo question with PriMin that morning and PriMin, while opposed to Communism etc, stated wld

¹ The Kem Amendment, Section 1302 of P.L. 45, Third Supplemental Appropriation Act of 1951, approved June 2, 1951 (65 Stat. 52), so-named after Senator James P. Kem of Missouri, provided for a ban on economic or financial assistance to countries exporting strategic materials to Communist-bloc countries. Further documentation is scheduled for publication in volume IV and volume VII.

² Circular telegram 800, June 15, not printed, dealt in a general way with interim exceptions from the provisions of the Kem Amendment which had been approved by the National Security Council on June 13 and transmitted to Congress on June 15. The telegram further pointed out that the NSC was completing evaluations of individual countries receiving U.S. assistance to determine whether those countries had met the requirements of the Kem Amendment. In the case of a noncomplying country, the NSC would determine whether it was in the U.S. security interest to (a) withdraw interim exceptions and discontinue assistance or (b) continue assistance and replace the interim exception by a specific exception. (400.009/6-1551)

be "politically" impossible for him embargo rubber to Commie countries.

2. Moreover question is academic as no Ceylon rubber can reach China because of US and UK control of shipping and although small quantities are shipped Commie Europe, "UK is selling Ceylon rubber to Commie Eur so it might as well go direct."

3. It is not GOC intention do anything about Kem amend at present time.

Dep UK HC ³ later informed Emb rep that PriMin expressed views (1) and (2) to UK HC Hankinson when latter sought yesterday have PriMin confirm by public statement (Embtel 640 June 19)⁴ his previous assurances that facilities wld not be made available for rubber shipments Ceylon to China. PriMin did however agree to HC's sending innocuous and noncommittal statement to London re GOC position which London had suggested in event stronger statement unobtainable. HC had impression PriMin hopes need for definite action re shipments to China may never arise in view exporters failure obtain shipping space.

Ceylon Times June 19 carried front page feature article headlined "Proposal Cut Wages 300,000 Rubber Workers—Fall in Prices as Reason". Article states in part employers reps have proposed resolution that rubber wages board reduce rubber industry basic wages approx 15½ percent for men, 25 percent for women and 31½ percent for children as levels fixed last Feb when rubber prices almost double present quotations.

Emb considers industry unquestionably able maintain current wages at present prices and employers taking this step to protect principle that if wages raised when prices increase, they must be reduced as prices decline. Employers action however undoubtedly will strengthen PriMin's determination not take any step which might depress rubber prices.

Dept pass London, sent Dept 646, rptd info London 91.

SATTERTHWAITE

³ M. R. Metcalf, United Kingdom Deputy High Commissioner in Ceylon.

⁴ Telegram 640 from Colombo, June 19, related a report from Mr. Metcalf that the U.K. High Commissioner in Ceylon had received instructions from London on June 19 to endeavor to have the Prime Minister confirm by public statement the latter's assurances to him that facilities would not be made available for rubber shipments from Ceylon to China. The purpose of this statement was to enable the U.K. Government to answer questions which it anticipated would be raised in the House of Commons with respect to Ceylon's position. (493.46E9/6-1951)

493.46E9/6-2251 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, June 22, 1951—5 p. m.

649. I informed PriMin Senanayake today contents Deptel 459 June 2.¹ He said he wld await with interest further advice from Ceylon Emb Wash.

I also took opportunity discuss general rubber situation and Kem amendment with particular ref Deptcirtel 814, June 19,² PriMin gave rptd assurances his sympathy with anti-Commie efforts but said rather petulantly that Ceylon is now independent country and must not give impression that independence is sham by toeing anyone's line. He stated he wld cooperate with anti-Commie efforts, but cld not make any commitment. He repeatedly affirmed it wld be polit impossible for him embargo rubber shipments to Commie destinations and expressed view that embargo to China unnecessary, because inability Commies arrange shipping and payment facilities. He referred somewhat scathingly to UK supplying rubber to Commie Europe.

I warned PriMin that such facilities undoubtedly would be eventually available and GOC must be prepared face issues squarely both with respect free world opinion and specific situation created by Kem amendment. I urge that in event GOC cld not certify under Kem amendment GOC shld prepare an adequate justification its position, but warned that latter wld be difficult.

Dept pass London sent Dept 649, rptd London 9.

SATTERTHWAITE

¹ Telegram 459 to Colombo, June 21, stated that the Embassy might inform the Government of Ceylon that the United States was seriously considering the negotiation of a rubber contract with Ceylon. The Department of State would discuss the possibility of negotiations, probably on June 25, with the Ceylonese Ambassador to the United States, G. C. S. Corea. The Department might in addition suggest contracts for the purchase of other commodities important to the current mobilization program. (846E.2395/6-2151) The first discussion in Washington with Ambassador Corea was held on July 2; see telegram 1 to Colombo, July 2, *infra*.

² In circular telegram 814, June 19, the Department of State indicated that the 90-day interim general exceptions under the Kem Amendment did not constitute a suspension of the amendment for 90 days but were necessitated by the initial impossibility of complying with the schedule specified in the amendment. Individual country exceptions, wherever justified in the interest of U.S. security, would be completed within 90 days, in accordance with the provision that all exceptions be reviewed at least quarterly. (400.009/6-1951)

846E.2395/7-251 : Telegram

*The Secretary of State to the Embassy in Ceylon*¹

SECRET PRIORITY

WASHINGTON, July 2, 1951—9 p. m.

1. Urtel 665 June 27,² Dept and GSA today held first discussion with Corea re possibility contract for purchase rubber. This mtg for purpose presenting proposal and discuss procedure which GOC might prefer in subsequent discussion. If desirable, contract might be concluded Colombo. US indicated fol: (1) US desires establish pattern and flow rubber from Ceylon. (2) Prefer usual commercial channels but will consider govt to govt. Using commercial channels wld encourage continuation pattern after US Govt purchases cease. If US Govt purchases cease prior expiration contract, transfer of contract to industry wld be arranged. (3) Twelve-eighteen month period offered. (4) Contract for about 4,000 tons monthly but at Corea's suggestion US indicated wld consider some increase. This quantity about 40 percent Ceylon production and usual US take. Wld not take all production as Corea proposed. (5) Price suggested is market price computed as average price in month preceding or in month of delivery. This device desired avoid speculative market on day of delivery. US prefers average Singapore market prices. (6) Interested all RMA types. (7) Willing explore possible contracts other Ceylon products. Possibility graphite contract mentioned.

Corea pressed for US purchase total production to stabilize market and avoid need licensing, but thought it possible reactivate Ceylon agency to handle smaller contract through agreement with shippers. Will contact GOC before continuing discussions. Will consider discussion contracts other commodities (copra) in addition rubber. Also expressed hope for long-term fixed price contract.

Dept will keep Emb informed. Emb comments desired.

ACHESON

¹ Repeated for information to London as telegram 34.

² Telegram 665 from Colombo, June 27, not printed, stated in part the Embassy's view that it was desirable to commence discussions in Washington on the proposed rubber contract (846E.2395/6-2751).

846.2395/7-1351 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, July 13, 1951—5 p. m.

27. At his request I discussed today matters raised Deptel 1 July 2 re rubber contract with Vaithianathan Permanent Secty MEA.

Permanent Secty began conversation by stating that in PriMin's opinion GOC cld not consider US proposal in present form but was reluctant reject it without consultation with trade. GOC therefore suggested US rep proceed Colombo for discussions with trade.

I replied that in view PriMin's attitude I questioned desirability US sending rep to Colombo merely to be told proposal was unacceptable and raised question whether if it were as unlikely as Permanent Secty indicated that agreement cld be concluded, it wld not be advisable drop whole matter rather than bring trade in and create expectation which wld not be fulfilled.

Permanent Secty choosing words very carefully explained that perhaps he had oversimplified situation initially and GOC's attitude is that considering terms proposed contract and US as well as GOC preference that commercial channels be used GOC wld necessarily play minor role. If trade desired contract however GOC wld do utmost establish admin procedures to facilitate carrying out terms. He emphasized however that decision must be taken by trade and not by GOC and raised question as to time and circumstances under which trade should be brought into discussions and he repeated that GOC considered advisable that rep come from US.

I again questioned whether it was necessary for rep to come from Washington before it was ascertained that basis for agrmt actually exists and suggested that GOC might hold exploratory conversations with trade. If reaction favorable and agreement appeared probable, rep cld come from Wash to carry on actual negots.

Permanent Secty said that GOC had not yet sent any instrs to Amb Corea but that GOC wld telegraph him views outlined para 4 above.

Emb considers permanent secty's initial statement probably represents real attitude PriMin and under circumstances doubts advisability US sending rep to Ceylon without some prior indication that satisfactory basis for negot exists.

Department pass London; sent Department 27, rptd info London 5.

SATTERTHWAITE

846E.2395/7-1351 : Telegram

The Secretary of State to the Embassy in Ceylon

SECRET

WASHINGTON, July 19, 1951—6 p. m.

29. Deptel 1, July 2 and urtel 27, July 13. Dept and Gen Services Admin again met July 18 with Amb re possible rubber purchase contract. Amb pressed for trans negot Ceylon with US talking Ceylon trade. U.S. said undesirable U.S. talk trade as US trade opposed generally rubber contracts. Existence U.S. contracts with other countries

secret and desirable if possible maintain secrecy re GOC contract. No plans discuss with U.S. trade.

Amb then asked U.S. representative discuss with GOC. U.S. agreed this possible but wished GOC indicate possible favorable reception basic proposal prior sending negot since now uncertain Ceylon interested that type contract. Amb said he interpreted Ceylon request trans talks there as showing GOC interest. US desires GOC state interest in proposal and also indicate possible preference govt to govt sale vs. normal trade channels so representative can be prepared discussion. If GOC regards necessary consult trade prior determining position then may do so without indicating proposal actually made by US.

GOC interested similar contract graphite. Not interested coconut products. Gen Services Admin inquired possibility mica contract and Amb will ask.

ACHESON

846E.2395/7-2751 : Telegram

*The Secretary of State to the Embassy in Ceylon*¹

SECRET

WASHINGTON, July 27, 1951—8 p. m.

43. Deptel 29 July 19. Second Secy Ceylon Emb² brought GOC reply July 25 re possible rubber contract. Requested US send rep Ceylon or instruct US Emb Ceylon discuss contract with rubber trade.³

Ceylon says it can not contract Ceylon trade even informally. US replied it most inappropriate US approach Ceylon trade. US proposal not in form of contract presentable trade. If US were interested in talks with trade, wld do so with US trade.

Dept told Ceylon Emb it wld consult within US Gov re possibility discussions Ceylon Govt to Govt even though Ceylon had not indicated basis negot in which interested.

FYI, GSA agrees ask you discuss contract with GOC. Instructions re US position on terms contract being prepared and will be forwarded next week. Such instructions will also state GOC can itself discuss with Ceylonese trade if it thinks desirable but such talks shld be most discrete in order not disturb market.

ACHESON

¹ Repeated for information to London as telegram 665.

² G. S. Peiris.

³ A memorandum of this conversation of July 25, not printed, is in file 846E.-2395/7-2651.

846E.2395/7-3151 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

RESTRICTED

COLOMBO, July 31, 1951—10 a. m.

60. Today's Ceylon *Daily News* carried two articles, first under New York dateline July 29 headlined "Bulk Buying Ceylon Rubber Planned—American Expert Coming Over for Discussions" which stated in part: negots now taking place between US Govt and GOC for US rubber expert come to Ceylon to discuss question bulk buying Ceylon rubber. Proposal to send US expert related to GOC decision not to embargo rubber to Commie China and to possibility international materials conf taking up rubber question shortly. It is expected Ceylon rubber interests will insist on bulk buying for reasonable period and at reasonable price and although US interests may feel three year contract wld suffice, such might be rejected in Ceylon which may desire minimum five years. It has been realized in US it is useless request producing countries not ship to Commie Countries if no alternative afforded for such countries to dispose their products in non-Commie areas at equally attractive prices.

Second headlined "Ceylon Will Sell Rubber at own Prices—US Overtures Raise Hopes". This article which refers to first, states in part minimum price four and maximum six shillings per pound likely to be demanded by Ceylon from US Govt which reported contemplating bulk purchasing Ceylon rubber. This price demanded by Ceylon at London and Rome rubber conferences. Fact that US, knowing Ceylon's views, is again negotiating construed in local circles as likely indication US prepared concede price demand. If terms accepted producers will be assured minimum rupees 2.60 over period years.

Dept pass London; sent Dept '60, rptd info London 12.

SATTERTHWAITE

846E.2395/7-3151 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET PRIORITY

COLOMBO, July 31, 1951—10 a. m.

61. Embtel 60, July 31. Embassy considers leak most unfortunate because possible disrupting effect on market and particularly because contemplated contract (Deptel 1, July 2) wld fall so far short of expectation created by daily news articles that general dissatisfaction locally inevitable. Embassy anticipates glut of inquiries and will continue deny all knowledge until instructed otherwise.

Dept pass London; sent Dept 61, rptd info London 13.

SATTERTHWAITE

897.2395/8-151 : Telegram

*The Secretary of State to the Embassy in Indonesia*¹

SECRET

WASHINGTON, August 1, 1951—9 p. m.

138. Colombo papers claim US official going Ceylon negot bulk purchase rubber contract. Imply US willing consider 5 year term and six shilling price in return GOC agreement embargo rubber Commie China. Only factual basis these stories is US Govt asked whether GOC interested rubber contract along lines Thai Indo contracts. Absolutely not true more favorable terms offered and GOC specifically told approach made as friendly gesture and with no China angle. Inform Thai and Indo govts soonest. Dept plans discuss with Ceylon Amb Wash and will report discussion.

If approached by press you shld deny knowledge negots or contract such as alleged Colombo papers but shld indicate US always ready discuss proposals of fon govts. Existence Thai Indo contracts still secret and should not be communicated press or rubber trade any country, or to govts UK Ceylon Malaya.

This tel sent Djakarta, Bangkok, Colombo, London, Singapore.

ACHESON

¹ Repeated to Bangkok as telegram 277, to London as 748, to Colombo as 50, and to Singapore as 143.

846E.2395/8-351

Memorandum of Conversation, by Mrs. Louise Sissman of the Office of South Asian Affairs

SECRET

[WASHINGTON,] August 3, 1951.

Subject: Negotiation of a Possible Rubber Contract with Ceylon.

Participants: Mr. G. C. S. Corea, Ambassador of Ceylon;

Mr. G. S. Peiris, Second Secretary of Embassy of Ceylon; Mr. Fluker; ¹ Mr. Armstrong; ² Mr. Alexander; ³

Mr. Kelakos; ⁴ Mrs. Sissman—Department of State

The Ambassador accompanied by Mr. Peiris called on August 3 to discuss further the present status of the talks with respect to negotiations of a possible rubber contract for Ceylon. The Ambassador stated that he was not clear as to what the United States position had been in the meeting with Mr. Peiris on August 2.⁵

¹ J. Robert Fluker, acting officer in charge, Economic Affairs, Office of South Asian Affairs.

² Willis C. Armstrong, Special Assistant, Office of International Materials Policy.

³ George H. Alexander of the Office of International Materials Policy.

⁴ Michael G. Kelakos, International Economist, Office of South Asian Affairs.

⁵ Memorandum of conversation not printed, but see telegram 53 to Colombo, *infra*.

Mr. Fluker again explained that the leak to the Ceylonese newspapers had been extremely unfortunate and will prove embarrassing to any negotiators who might be selected by either country. As far as the United States is concerned, Mr. Fluker pointed out, it would now be impossible to send a negotiator since the mere appearance of such person in Ceylon would at once seem to confirm reports of negotiations and might be interpreted by the Trade as an indication that the terms under discussion approached those mentioned in the articles; namely, a contract running from 3 to 5 years and paying from 4 to 6 shillings a pound.

Mr. Fluker said that it appeared necessary to have a complete review of the situation with the Government of Ceylon indicating its position with respect to the basis for negotiation and stating what other channels of negotiation it would prefer. Mr. Fluker reminded the Ambassador that the U.S. had still not received any indication of the position of the GOC with respect to possible terms to be discussed.

Mr. Armstrong pointed out that this leak was particularly embarrassing in view of the fact that the U.S. Government does not consult with its trade on matters dealing with rubber contracts and, in fact, does not even inform them of the existence of such contracts.

The Ambassador expressed regret at the leakage of the news, but said that it was understandable in view of the fact that the GOC had indicated it would be necessary to contact the trade. He asked whether he was correct in understanding that the U.S. felt that in view of the leak it would be impossible for the U.S. to send a representative to Ceylon at this time for the rubber talks. When assured that his understanding was correct, the Ambassador said that he would ask his Government for (1) its position on the bases for negotiation, and (2) what procedures it now proposes. When a reply is received, the Ambassador will inform the Department.

846E.2395/8-351 : Telegram

The Secretary of State to the Embassy in Ceylon

SECRET

WASHINGTON, August 3, 1951—5 p. m.

53. Deptel 50 Aug 1, rptd London 748; Dept Aug 2 showed copy newspaper reports Second Secy Ceylon Emb and made fol comments re rubber:

1. Newspaper leaks extremely unfortunate and place any US and GOC negotiators in untenable position. Press articles seem have taken position re terms for negotiation, which compromise both parties. Official GOC determination of willingness to discuss original proposal still unavailable. Ability to discuss original proposal now in question due publicity.

2. Necessitates review entire situation.

3. GOC requested to indicate its position re basis for negotiation and what it desires be done, realizing inadvisability sending US rep Ceylon now, which might serve confirm rumors.

Ceylon rep appeared unaware publicity and genuinely dismayed. Will contact GOC re position for negots and procedure.

ACHESON

746E.5/S-951: Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

TOP SECRET

COLOMBO, August 9, 1951—8 p. m.

91. My 533 May 12¹ reported suggestion of Home Min Sir Oliver Goonetilleke that US and Ceylon negot a defense agrmt.

My 551, May 16¹ reported that while not confirming Sir Oliver's suggestion PriMin expressed alarm at inability Brit to strengthen forces at their naval and air bases there. It also expressed my view that PriMin wld welcome US assistance and might be willing make important concessions to obtain it.

My desp 935, May 18¹ reported conversation between Home Min and Asst Naval Attaché² in which former expressed hope US and Ceylon cld agree to mutual defense program.

In course second conversation between these two on July 27 Sir Oliver said he wld like see US establish in Ceylon one or two bomber squadrons with supporting fighter craft and a small fleet of fast coastal patrol craft, possibly submarines together with island-wide radar coverage. ANA inquired whether he was speaking on behalf GOC. Sir Oliver replied that subj had been discussed in high govt circles. In reply to ANA's question as to extent Ceylon wld go in granting concessions shld this proposal materialize Home Min indicated Ceylon wld entertain any reasonable request and that cost such program wld not be prohibitive for US since GOC wld assist in setting up air strips, coastal bases, bldgs etc., and furnish minor personnel for ground, yard and maintenance crews etc. Home Min also expressed belief Brit wld cooperate and that there wld be no trouble with India over program.

In view previous policy GOC and PriMin's failure confirm Sir Oliver's suggestion we were naturally skeptical re latter's new suggestion. Aug 2 press however, reported PriMin as stating in house in reply to question from Commie MP whether other govts were con-

¹ Not printed.

² Lt. Comdr. M. J. Williams, U.S.N.

sulted in fixing size Ceylon's Army that it was quite possible Ceylon might come to some terms with another country Ceylon's defense.

I therefore reviewed above developments yesterday with Vaithianathan permanent sec MEA. I said Sir Oliver's latest suggestion and PriMin's statement in House suggested important possibilities. My govt might indeed be interested. In view however, previous policy GOC as described by him to me and position he had taken on our request for a naval communications unit I hesitated report Sir Oliver's latest suggestion to my govt unless there was reason believe it really had been considered by high govt circles and that Sir Oliver was not speaking for himself alone.

While somewhat cautious in his reply Vaithianathan indicated that this proposal had indeed been discussed in highest govt circles. PriMin has recently, he said, taken much less cautious position than previously on question external def and now seemed prepared face all repercussions. Any assistance US cld give he believed wld be welcome. It wld however, have be given in cooperation with UK. He wished make this latter point very clear. On receiving this assurance I said I wld sound out my govt.

I am sure Dept will agree that Ceylon is of such great strategic importance to defense non-Commie Asia that we shld give this latest suggestion careful consideration. Motive behind it may of course be mainly desire obtain mil and econ assistance without cost to Ceylon. Suggest may even have originated in Sir Oliver's fertile brain as means taking pressure off GOC on Kem amendment. Nevertheless, we must in my opinion support govt which has recently lost voting strength no matter how unwise its actions may be on such matters as rubber exports to China and Kem amendment in view fact only alternative to present friendly govt is one of Marxist complexion.

Certainly Ceylon's facilities wld be of greatest importance to UK and US in case world conflict and it is therefore also desirable retain present friendly feelings of majority Ceylonese people toward Western World. Therefore I trust Dept will take this tentative mil offer into consideration in connection with Kem amendment and find if possible some means avoiding punitive action until latest possible moment as urged in my 85, Aug. 8.³

Proposal also opens up possibility obtaining extensive communications facilities desired by USAF (Deptel 312, March 20).³

I will amplify by despatch but in meantime urge that interested Depts give serious consideration to suggestion we station air and naval forces in Ceylon in cooperation with Brit. Dept's lack response to my

³ Not printed.

533 and 551 may indicate US Govt uninterested. For this reason I feel it important have Dept's views before taking up question with PriMin.

Please instruct.

Repeated info London 24.

SATTERTHWAITE

493.46E9/8-3051 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, August 30, 1951—9 p. m.

130. Managers Stanvac and Caltex called yesterday p. m. to report fol:

Min Transport Kotelawala who left yesterday for London had on previous day sent word to Shell and 2 American oil companies that they must supply bunkers to ships scheduled transport rubber to Chi or he wld take oil from companies and himself furnish it. They had recd this message indirectly thru chairman port commission and mgr Shell. They said they cld not under their instrs furnish oil to any ship except under orders from their head offices and had no intention doing so. Caltex has no contract with govt but Stanvac does have for one or two govt owned industries. Possibility does therefore exist that govt might draw oil under such contract and actually deliver it to ship or ships in question. Min also reportedly talked rather violently about govts seizing companies if they did not comply with his request. However port commission discussed matter with him yesterday morning at airport and reported him much more reasonable on subj. Two American mgrs requested me take no action and gave me foregoing info in desire be helpful. I told them however I wld discuss matter with PriMin at earliest possible opportunity in light previous conversations with him on subj.

I saw PriMin and Vaithianathan together this morning just before former went into Cabinet mtg. I recalled that on June 22 he had told me embargo on rubber shipments to Chi was unnecessary because inability Commies arrange shipping and payment facilities (Embtel 649, June 22) and that I had warned him at time they probably wld become available. Now as he knew this was in fact case except for difficulty in finding bunkers for Polish ships designated transport rubber. I was under clear impression that GOC hoped such facilities wld not be made available and wld do nothing to facilitate shipments. If instead GOC intended insist that bunkers for shipping rubber to Chi be provided my govt wld, I was sure, take extremely serious view any such development.

PriMin Senanayake replied that this info came as complete sur-

prise to him, that no one had told him about it and that he wld make immed inquiries. He promised inform me result these inquiries as soon as possible. He realized he said this was not proper time insist on normal trade practices, that he was extremely anxious Korean war shld stop and that he imagined it might not stop as long as Chi receives essential mil supplies.

I mentioned fact Min Commerce had last week made statement to effect that "Ceylon wld continue buy in cheapest market and sell in dearest". This was policy I said with which US wld agree in normal times but at moment we were engaged in war both hot and cold out come which was of most serious consequence to whole world. This was hardly time therefore talk about normal practices. He replied that he agreed, that Min Commerce made statement without clearance from him and that he had remonstrated with him later for doing so.

I also pointed out that our efforts help with various requests GOC was making were made very difficult by Ceylon's insistence on selling rubber to Chi. As example I reminded him that Amb Corea is making urgent appeal for refined sulphur for use in spraying rubber trees. Neither State nor Commerce Depts I said cld be expected assist Ceylon produce rubber which might go to its enemies. Moreover many countries complying with UN embargo were also in critical need sulphur.

I here remarked that 45 countries had reported compliance with UN embargo. To this observation he replied that Ceylon cld hardly be expected do so in view its recognition Commie Chi Govt. I pointed out that such recognition did not from viewpoint internatl law prevent Ceylon from embargoing rubber shipments and added that in course internatl relations govts often had take certain actions not pleasing to other govts which they recognized.

Other points I made were growing scarcity oil, fact that Polish line had no established route to China and inability American companies furnish bunkers except under orders head office.

As usual PriMin made no direct promises. He was however obviously disturbed by my reps. It seems likely he will take steps prevent threatened action.

In course conversation I also pointed out that GOC shld not expect greater leniency on part US toward rubber shipments to Chi because probability replacement Kem amendment by new act as approved by Senate recently.¹ I said it was my understanding that while new

¹ H.R. 4550, the Mutual Defense Assistance Control Act, sponsored by Representative Laurie C. Battle of Alabama, was passed by the House on August 2, by the Senate on August 28, and approved by the President on October 26 (P.L. 213, 65 Stat. 644). The Battle Act superseded the Kem Amendment and likewise provided for the suspension of economic aid to nations supplying specified strategic commodities to the Soviet bloc. Rubber was one commodity included in Title II of the Act.

act wld be more satisfactory Dept it wld be equally strict as regards shipment articles such as rubber to Sov bloc. To Vaithianathan I urged that Ceylon take steps furnish statistics previously requested as its failure do so was making it very difficult for Dept defend or explain Ceylon's position.

Repeated info London 36, New Delhi 17, Karachi 11.

SATTERTHWAITE

493.46E9/8-3151 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, August 31, 1951—9 a. m.

132. As result conversation reported my 130, Aug 30 Vaithianathan read me last evening two ltrs which he said were ready for delivery.

First was from PriMin to chairman Port Commission. Referring to latter's oral instrs from his departed Min to instruct oil cos furnish oil for Polish line ships lifting rubber for China, ltr politely but clearly countermands these orders. It states that in view oil shortage position oil cos is understandable and that he shld therefore take no steps compelling them supply oil to such ships.

Second ltr was from Vaithianathan to director brokerage firm having principal contract for rubber shipment in question who had written PriMin suggesting govt shld take steps assist in obtaining bunkers for Polish vessels arriving to lift rubber for China. Vaithianathan writes that he has been instructed by PriMin say in reply that on acct shortage oil it would not be feasible do so.

I expressed satis with action taken by PriMin. Emb will however continue fol situation closely.¹

Dept pass London; sent Dept 132, rptd info London 37, Karachi 12, Delhi 18.

SATTERTHWAITE

¹ On August 31, in response to telegrams 130 and 132 from Colombo, Assistant Secretary McGhee congratulated Ambassador Satterthwaite on his handling of the rubber discussions with the Prime Minister (telegram 86 to Colombo, not printed; 493.46E9/8-3151).

493.46E9/9-551 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, September 5, 1951—5 p. m.

144. Vaithianathan Perm Secy MEA expressed opinion to Emb rep today that there is no chance GOC will embargo rubber to China either

before or after *Mickiewicz* departure (Embtel 141, September 4)¹ and that Home Min Goonetilleke's statement (Embtel 136, August 31)² completely without foundation.

Perm Secy indicated GOC probably will request exception under Kem amendment but in gen terms as little econ justification for request.

Perm Secy said Min Fin Jayewardene will present formal memo in Washington re GOC requirements (Embtel 134, August 31)³ for US financial aid.

Repeated info London 43.

SATTERTHWAITE

¹ Telegram 141 from Colombo, September 4, not printed, reported in part that the *Mickiewicz* was expected to arrive in Colombo on September 8 and that it apparently had ample bunkers (493.46E9/9-451).

² Telegram 136 from Colombo, August 31, not printed, reported that the agent in Colombo of the Polish Ocean Lines had informed the Embassy that Home Minister Goonetilleke had said that the Government of Ceylon wished one shipment of rubber to be made to China in order to be able to inform American officials as a bargaining point in any possible negotiation of a rubber contract with the United States that high prices were obtainable in other markets (493.46E9/8-3151).

³ Telegram 134 from Colombo, August 31, not printed, informed the Department that the Minister of Finance and the Assistant Secretary of the Ministry, Rajendra Coomaraswamy, might explore the possibility of obtaining grant assistance for a dam project and rural development program while in Washington to attend the annual meeting of the IBRD and IMF. The Embassy suggested that the Department give a sympathetic hearing to Jayewardene and Coomaraswamy if these subjects arose and inform them that it was necessary to postpone any definite consideration of these subjects pending clarification of Ceylon's situation under the Kem Amendment or the act replacing it. (846E.2614/8-3151)

493.46E9/9-451 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET PRIORITY WASHINGTON, September 6, 1951—7 p. m.

91. Urtel 141 Sept 4¹ indicates that the indirect method (denial of bunkers) has failed for present to halt movement rubber Chi since Pol ship *Mickiewicz* apparently has ample bunkers (source bunkers still unknown). Therefore only hope preventing delivery rubber now depends upon action of GOC prevent export of rubber.

In view our great concern re movement strategic materials Commie areas and fact *Mickiewicz* due arrive Sept 8, Emb may wish make final effort although all points covered previously conversations GOC. You may wish (1) indicate that US wld not think it friendly not point out serious aspects portending situation; (2) refer specifically to PriMin statement that this is not time insist on normal trade practices; (3) note Battle Bill as amended by Senate wld require it be administered so as to give fullest support for any UN resolution

¹ Not printed, but see footnote 1, *supra*.

to prevent shipment certain commodities to areas under control Govts engaged hostilities in defiance of UN.

Battle Bill goes House-Senate conference some time after House reconvenes; possibility final action by end Sept. FYI immed prospects dim for Ceylon exception under Kem Amendment; this emphasized by strong Dept views which supported by US public opinion and close attention given prospective rubber shipments by press services. FYI ability of US justify exception clearly connected GOC action re rubber. FYI now appears decision to submit exception request or position against exception must be in first draft Sept 10; for this reason Dept wld appreciate this further effort clarify situation.

Dept grateful action PriMin reported urtel 132 Aug 31 re decision GOC not to facilitate acquisition bunkers for Pol vessels. In present circumstances, however, such action gives no firm basis for exception if *Mickiewicz* in fact has ample bunkers. This is indirect action at best and in view Embtel 144 Sept 5 may be negated.

WEBB

493.46E9/9-751 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET PRIORITY

COLOMBO, September 7, 1951—5 p. m.

148. Deptel 91, Sept 6 arrived opportunely as I was about present Gufler to PriMin Senanayake, and Perm Sec Vaithianathan. In doing so this p. m., I took opportunity make points suggested therein.

I said Dept was grateful for action PriMin had taken in not facilitating bunkers for Pol vessels and also for support given by Min Fin Jayewardene at Jap Peace Conf. It now seemed however, our indirect efforts prevent shipment rubber Chi had failed as Pol vessel *Mickiewicz* was due here tomorrow with apparently sufficient bunkers reach Chi and I cld see nothing prevent shipment short action by GOC.

In circumstances US wld not, I said, think it friendly not point out as I had done on several occasions serious reaction actual shipment Ceylon rubber to Chi wld cause in US. I then made points re Battle Bill contained reftel.

Vaithianathan interrupted at this point say GOC had recd inquiries whether it wld permit transshipment here rubber destined for Chi and govt had given firm negative in reply. I said I was glad hear this but that harm to relations between our two countries wld be caused by pending shipment Ceylon rubber.

In reply my observations PriMin did not offer make any effort stop shipment but did express hope something might still happen prevent it. He said he wanted Ceylon retain its independence and had announced there wld be no restriction fon trade. To this I said that US had also wanted Ceylon gain its independence and had done what

it cld to assist in this respect. These were, however, abnormal times and I wanted repeat that we wld not consider it friendly not point out serious consequences to relations between our two countries if shipment went forward. PriMin however, remained noncommittal altho conversation was maintained on friendly plane.

After conversation I told Vaithianathan their request from Kem Amendment exception shld be in by Sept 10. He indicated that it wld be ready by that time.

This morning I called on Gov Gen Lord Soulbury to bring him up-to-date on US-Ceylon rubber negots which he instigated. Conversation naturally turned situation created by pending Chi rubber shipment. He expressed great concern. He had warned PriMin of unfortunate consequence any such shipment but seemed feel there was little or nothing more he cld do. I made it clear I was not asking him do anything but merely making sure he was aware recent developments. He said he was most grateful for info I had given him. He thought he wld endeavor discuss situation with Goonetilleke and point out to him harm such shipment wld cause to country.

Repeated info London 48.

SATTERTHWAITE

493.46E9/9-1051 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, September 10, 1951—4 p. m.

155. Embtel 152 Sept 10.¹ Arrival *Mickiewicz* climaxes persistent efforts over many months by Ceylon shippers and China buyers arrange shipment Ceylon rubber to China.

Fol summary may assist Dept in determining attitude.

1. Altho actual contracts with Chi held by half dozen Indian and Ceylonese exporters at prices ranging from Rps .25 to one per lb above prevailing world prices, practically all Ceylon traders including European sold own stocks FOB *Mickiewicz* to these exporters at prices rupees .08-.10 per lb above market. Ceylon producers have benefited little if at all as rubber purchased locally at prices generally approx Singapore levels.

2. Emb estimates GOC may well obtain on taxes alone (excluding rubber export tax) from profits this single shipment amt substantially in excess total US fin aid contemplated for Ceylon under MSP FY 52.

¹ Telegram 152 from Colombo, September 10, not printed, reported in part that the *Mickiewicz* had arrived in Colombo on September 9 and would remain approximately 10 days to load a full cargo of approximately 5,800 tons of rubber (493.46E9/9-1051).

3. In spite above Emb considers GOC refusal embargo shipments based neither on this nor on expectation extracting better offers from US but results principally from emotional approach of PriMin combined with ultra-sensitive nationalism and unrealistic conception possible detrimental effect embargo on local rubber market with consequent repercussions on internal polit situation. Resentment over what generally considered US efforts depress rubber prices also factor.

Emb convinced PriMin personally wld have preferred Chi sales had not been made and sincere in belief that shipping and fin facilities wld not be available in spite repeated Emb warnings to contrary. Emb disturbed, however, that there has been no indication that any important GOC official has ever endeavored deter shippers by pointing out moral issues involved or counselling against shipments.

4. GOC position appears be accepted by Ceylon public either with approval or apathetically. Emb knows no single English or vernacular newspaper which has protested against shipments to Chi; on contrary possibility of controls widely condemned.

Dept pass London; sent Dept 155, rptd info London 52.

SATTERTHWAITE

400.46E9/9-1151

The Chargé in Ceylon (Black) to the Secretary of State

RESTRICTED

COLOMBO, September 11, 1951.

No. 231

Subject: Ceylon Request for Exception From the Provisions of the Kem Amendment

There is enclosed a copy of an *Aide-Mémoire* which the Ministry of External Affairs delivered to the Embassy on the afternoon of September 10. This *Aide-Mémoire* develops a case for and concludes with a request that Ceylon be granted a special exception from the provisions of the Kem Amendment "or any other similar legislation which may be enacted in the United States".

The Ministry telegraphed the full text of this *Aide-Mémoire* to the Ceylon Embassy in Washington which presumably already has submitted it to the Department.

In view of the very limited justification on which a request for an exception might be based, the Embassy considers that the attached *Aide-Mémoire* develops the best arguments possible under the circumstances. The Embassy will not comment on the validity of these arguments as its views have, it is believed, been made clear in previous communications on the subject.

MYRON L. BLACK

Enclosure

The Ministry of External Affairs of Ceylon to the Embassy in Ceylon

AIDE MÉMOIRE

CASE FOR EXEMPTION OF CEYLON FROM APPLICATION OF SECTION 1302 OF
THE U.S. THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951

The attention of the Government of Ceylon has been drawn to Section 1302 of the United States Third Supplemental Appropriation Bill, 1951 (HR 3587), popularly referred to as the KEM Amendment, which provides for the denial of American economic or financial aid to any country which exports, or permits the exportation of, strategic materials to any of the Communist countries. The United States Authorities are aware that Ceylon has not found it possible to impose any destinational prohibition or restriction on exports from Ceylon and this *Aide-Mémoire* seeks to set out the considerations which have led the Ceylon Government to take up this position.

2. Ceylon's only export, which comes within the category of strategic materials, is rubber, and the Island's economy is vitally dependent on the securing of a fair price for this commodity in world markets. Local producer interests demand the preservation of an open market as the only way of guaranteeing fair and competitive prices, and the imposition of any artificial limitation on this market, through destinational control, is a step which the Government does not feel justified in taking in present circumstances. In point of fact, the present pattern of Ceylon's external trade is, almost wholly, confined to the democratic countries. The Ceylon Government is perfectly content with this state of affairs and has no need or desire to seek new markets in Communist countries. Ceylon has no shipping of her own and is wholly dependent on foreign shipping for her overseas trade. This in itself should, under ordinary circumstances, automatically discourage exporters from seeking markets in Communist countries. In any case, such exports, if any, will not take place with any assistance or special facilities rendered by the Ceylon Government.

3. On the other hand, local Rubber interests have represented to Government that a deliberate imposition of a ban on the export of rubber to Communist countries would immediately destroy the prevailing free market and may well lead to an artificial depression of price levels. Should such a fall in prices occur, as is likely, its economic effects on the country will be serious, and it will, in addition, mean a cessation of the efforts now being made by the Government to improve the existing low economic standard. The imposition of a limitation on the existing free market, in the face of known opposition on

the part of the producers, will, in addition to estranging the friends of Government, only lend support to what Communist propaganda is accustomed to call "imperialist exploitation".

4. It would also be relevant to recall that after Japan entered the Second World War, Ceylon was the sole supplier of natural rubber to the war effort of the Allies. This circumstance made tremendous demands on the rubber industry of the country and whole estates were slaughter-tapped in the effort to make available adequate supplies of this vital war material. Improved conditions following the end of the war have made some slight recovery possible, but the recovery of the industry is by no means complete, and much more capital needs to be invested to restore the rubber industry to its pre-war standard. It is understandable, therefore, why producers are in no mood to make further sacrifices by agreeing to, what would amount to, Governmental intervention in the natural trends of the rubber market.

5. It is accordingly requested that a special exception be made, in the case of Ceylon, from the operation of section 1302 of the Third Supplemental Appropriation Act, 1951, or any other similar legislation which may be enacted in the United States.

COLOMBO, 10th September, 1951.

493.46E9/9-1251 : Telegram

*The Secretary of State to the Embassy in Ceylon*¹

SECRET PRIORITY WASHINGTON, September 13, 1951—9 p. m.

104. Re previous on export Ceylonese rubber to Commie Chi.

Colombo: Do not act on fol before Sep 15, allow time. UK Govt approach GOC if willing do so, unless *Mickiewicz's* departure matter of hours, indicating you shld act without delay.

London: Inform FonOff urgently of fol proposed action and suggest UK Govt may desire instruct UKHC Colombo urgently impress on GOC US attitude this matter and endeavor persuade GOC agree stop this and future rubber shipments to Commie Chi without necessity approach by Satterthwaite along lines set forth this tel, and without necessarily referring to specific US action which wld follow GOC's refusal coop in *Mickiewicz* case. Urgency arises from prospective departure *Mickiewicz* from Ceylon for Commie Chi about Sep 19 if not sooner.

¹ Repeated to London as telegram 1482 priority and to Djakarta as 322 for information.

Fol msg for Colombo: Embtel 162 Sep 12,² FYI *Mickiewicz* case greatly increases Dept's anxiety over consequences failure Ceylon co-operate UN strategic embargo against Chi Commies. *Mickiewicz* shipment wld be first large overt breach of embargo on rubber and might result in reversal Indo compliance, thus initiating chain defections which wld finally destroy effectiveness whole program.

Emb aware that action reported Deptel 102 Sep 11 and last para Deptel 78 Aug 23³ do not refer to allocation but to procurement assistance Ceylon within third quarter global sulphur quota. Commerce has been extremely coop in giving this procurement assistance and now in securing brief delay action by US firm. At Dept request, Commerce postponed assistance until latest possible time. In order give opportunity license other valid applications before Sep 30, firm must be given definite ans on Ceylon sulphur by Sep 20. If by Sep 20, GOC can give no assurance halt rubber shipments, license can not be granted.

In view of above, and in event UKHC has not recd satis assurance, Dept desires you approach GOC and indicate that US assistance and licensing sulphur for Ceylon will be impossible if Ceylon rubber moves to Commie Chi. Sulphur contributes to production rubber which goes to enemies actively engaged in aggression defined by UN. US people eld not understand Ceylon action or US sulphur assistance. US has gone to great lengths make sulphur available in view our friendly relations and GOC friendly reception points made previously by Emb, which led to hope that GOC wld come to concrete and full support UN and free world position as it did so ably at Jap Treaty Conference. Other natural rubber suppliers also desire higher price available outside free world but have refused in favor ultimate benefit of united action.

In discussion, you may wish raise fol additional points.

² Telegram 162 from Colombo, September 12 (493.46E9/9-1251) expressed concern over a report from the Department of Commerce contained in telegram 102 to Colombo, September 11 (446E.119/9-1151), that 1,200 tons of refined sulphur were being supplied to Ceylon by a U.S. firm. Telegram 162 commented in part as follows: "With full cargo rubber actually being loaded Colombo for Commie Chi it would in my opinion constitute serious policy error allocate sulphur GOC at this time in spite Emb's previous recommendations. I, therefore, urge you endeavor postpone or suspend action due complete change in situation caused by failure GOC prevent shipment to Commie Chi in spite our rptd warnings."

³ Telegram 78 to Colombo, August 23, was mainly concerned with the political situation in Ceylon. The last paragraph read as follows: "While not directly related foregoing, FYI Ceylon Emb urging assistance obtain refined sulphur for rubber industry. Sulphur extremely tight and many important users coop UN embargo not getting essential amts. Therefore difficult US Govt justify assistance in procuring sulphur for Ceylon when rubber for which used might find its way to enemy. Public opinion wld react violently such assistance. If you believe helpful ur informal conversations Ceylon officials you may wish refer obliquely this difficulty." (746E.5/8-951)

Sizeable majority UN members applying embargo accordance UNGA res, as are several non-members incl Ger Fed Rep, Italy, Jap and Spain. UNGA called on all states, not members only, take such action. While US gratified at GOC's coop at Jap treaty conf, is it not incumbent upon GOC, seeking admission to UN, accept share of responsibility and burden of UN's present struggle against aggression?

You may also emphasize to PriMin important assistance to enemies of UN and US represented by *Mickiewicz* shipment, and any others which might fol, eld not fail arouse deep resentment US Cong and public.

You may impress upon PriMin GOC has real and obvious stake in joint efforts deter or suppress aggression before stage reached at which GOC might find itself immed prospective victim. Inconceivable that GOC cannot see own self interest in combatting aggression before it gains even greater scope and momentum.

Above all, movement Ceylon rubber to Commie area will make it impossible grant now Ceylon exception under Kem Amendment or Battle Bill.

For manifest friendly reasons, US is making no public announcement present delay licensing sulphur shipment and trusts appropriate GOC action re *Mickiewicz* will allow sulphur proceed soon as possible.

Above will be brought attn Ceylon Emb Wash if UKHC efforts fruitless.

ACHESON

493.46E9/9-1451 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET PRIORITY

COLOMBO, September 14, 1951—1 p. m.

166. 1. Supplementing Embtel 155, Sept 10, I urge Dept take full advantage presence in Wash Min Fin Jayewardene to make him realize serious view US Govt takes of his govt's permitting shipment large quantity Ceylon rubber Commie China. Dept will presumably be in strongest position impress Jayewardene with seriousness situation when and if he presents memo mentioned last para Embtel 144, Sept 5 and discussed Embtel 134, Aug. 31.¹ We cannot however judge from here importance of services he rendered at Jap peace conf which might influence Dept assume milder position than otherwise.

2. Dept must, of course, reach decision re implementation Kem amendment soon. We also recommend that further conversations, on

¹ Telegram 134 from Colombo, August 31, not printed, but see footnote 3, p. 2042.

possible rubber contract and that decision re US participation in Colombo plan exhibition be deferred for time being.

3. Dept shld bear in mind however that our failure to date carry out terms our VOA contract with Radio Ceylon leaves us in weak position in withdrawing Point IV and Smith-Mundt assistance. Proposal for reimbursement contained Deptel 103, Sept 12² may however please GOC and realization strained relations its failure prevent rubber shipment Commie China may have brought about might put it in mood endeavor pls us re our megawatt proposal described Deptel 99, Sept 10.³ Otherwise we foresee serious difficulties in obtaining GOC approval.

4. As indicated in previous tels I feel Ceylon's strategic importance make situation unwise for us take unduly harsh countermeasures. We also seem have no choice but support UNP in absence any suitable alternative. Nevertheless, GOC shld if possible be made understand serious view we take of its failure cooperate in this instance with US and UN.

5. Pls keep us fully informed.

SATTERTHWAITE

² Telegram 103 to Colombo, September 12, not printed, authorized a representative of the Voice of America en route to Colombo to reimburse Radio Ceylon for its relay services (511.814/9-751).

³ Telegram 99 to Colombo, September 10, not printed, dealt with a proposed megawatt broadcasting station which would be under the nominal control of the Government of Ceylon and whose construction and operating costs would be borne by the U.S. Government (511.46E4/9-1051).

493.46E9/9-1551 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, September 15, 1951—3 p. m.

167. Acting UKHC Metcalf saw PriMin this morning on instructions from CRO as result Deptel 104, Sept 13. He reports results his discussion entirely negative.

PriMin told Metcalf he wld do nothing prevent shipment going forward on *Mickiewicz* or any other ship arriving to lift rubber for Commie China. On other hand he wld do nothing encourage further sales. PriMin apparently spoke with considerable emotion of injustice he considers Ceylon suffered from UK and US war and postwar rubber policies and said that if US was unwilling protect Ceylon's rubber industry under present circumstances in which US making all-out military effort then certainly Ceylon cld expect no help under less favorable circumstances. Metcalf argued strongly against these points without moving PriMin.

From Metcalf's report of conversation it is obvious PriMin is considering solely economic aspects of problem and possible effects on local political situation. He showed no indication of comprehension of or sympathy toward broader moral issues involved.

PriMin left shortly after his conversation with Metcalf for weekend trip and will not return to office until 18th. I shall, however, endeavor make representations contained Deptel 104 to him before then if there is any likelihood *Mickiewicz* sailing in meantime. This seems unlikely but is possible as indicated today's Embtel 168.¹

In order strengthen my representations I suggest Dept discuss matter not only with Amb Corea but also with MinFin Jayewardene.

Dept pass London, Djakarta. Sent Dept 167, rptd info London 62, Djakarta 15.

SATTERTHWAITE

¹ Telegram 168 from Colombo, September 15, not printed, indicated that the *Mickiewicz* might sail from Colombo sooner than expected because of a possible lack of credits sufficient to cover the entire quantity of rubber (493.46E9/9-1551).

493.46E9/9-1751 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET PRIORITY

COLOMBO, September 17, 1951—noon.

171. I delivered representations contained Deptel 104, Sept 13 to PriMin Senanayake at 8:30 this morning. Vaithianathan, Permanent Secretary MEA, and Gufler also present. Result was negative and unsatisfactory. Atmosphere was somewhat tense altho entirely polite and PriMin did not become emotional.

I made representations from written statement based on ref tel which I then handed PriMin.¹ I had made some minor changes in Dept's text and added one or two sentences. Will forward my text by pouch unless Dept wishes it telegraphed. No ref to UKHC reps was made in course conversation.

When I concluded reading statement PriMin expressed regret that Ceylon rubber was being shipped on *Mickiewicz*. He would be happy if it were [possible?] to do anything about it, however, he asserted would drive country to communism.

It was, however, impossible obtain from him any clear explanation why action on part GOC prevent shipment few thousand tons rubber to an enemy which would use it in combating US and UN troops

¹ The text of Ambassador Satterthwaite's statement of September 17 is printed *infra*.

wld drive Ceylon to communism. PriMin made no real effort explain reason but rather adopted attitude he knew best.

He did mention country's independence and indicated any action on his part restrict free trade wld be very unpopular in country and hurt him politically. He mentioned slaughter tapping during last war and said there had been definite breach faith on part UK and US fol war. When pressed for details he said there had been clear understanding with UK that its stockpile wld not be put on market at conclusion hostilities but UK nevertheless sold it to US. He also mentioned expanded use synthetic rubber in US. To this I said that to my personal knowledge US had actually restricted output synthetic rubber and he knew that rubber prices had risen considerably before outbreak hostilities in Korea. Since then enormous profits had been made in Ceylon as result rubber prices offered by US.

To his arguments that Ceylon shld have complete freedom of trade, I said I cld not understand this feeling in view fact US and UN were engaged in actual warfare and that rubber in question was being shipped to very enemies fighting our troops. Furthermore, if matter were considered merely on trade basis, I cld not understand why Ceylon attached so little importance to retaining good will one of its best customers and was willing lose this good will for only few thous tons rubber.

Vaithianathan made point that while rubber prices had indeed risen, prices rice on which Ceylon was completely dependent had risen eight times. I expressed sympathy but said such arguments wld not convince US public during existence state warfare.

In discussing our decision not assist them obtain sulphur if Ceylon rubber were shipped China PriMin said perhaps it was just as well we cld not do so as he did not believe in bargaining. He added: "If you do not let us have sulphur we cannot grow rubber. On other hand, you must face possibility that this may drive us into the other camp and that we may eventually have sell all our rubber to Chi and obtain sulphur from Chi".

To this I said I hoped it was clear we were not bargaining. Rather statement I had read him simply made it clear why if Ceylon rubber went to our enemies, it wld be impossible for us to help Ceylon obtain sulphur or give Ceylon exception under Kem Amendment. As to necessity their selling rubber Commie Chi, I pointed out there was not single ton on board *Mickiewicz* which cld not have been sold elsewhere. Moreover, as GOC had sought our active assistance in combatting Communism, this attitude was inexplicable to me.

At no point did Senanayake present any argument that seemed answer ours. In reply my question he said I had indeed in our previous

discussions made him fully aware serious view US wld take any shipment Ceylon rubber to Commie Chi. I expressed regret he had not succeeded in convincing me reasonableness Ceylon's position and said I cld not therefore be expected convince my govt. I also expressed deep regret that high prestige which Ceylon now enjoyed in US as result MinFin Jayewardene's excellent work at Jap Treaty Conf wld I feared be lost as result this attitude on Ceylon's part.

In seeing us off Vaithianathan expressed regret that this difference which he described as due entirely to polit considerations shld have arisen between our two govts. He undoubtedly meant internal polit considerations as he said several times it wld be pol suicide for Ceylon observe UN embargo.

Upon our arrival at PriMin's residence we saw Home Min Goonetilleke lurking in background. He was not, however, present at interview. I fear his influence on PriMin over present issue has been an evil one.

Am keeping Gov Gen fully informed at his request. He seems assume, however, there is nothing more he can do prevent shipment in view limitations on his power in constitution which he drafted.

Pls give me as much advance notice as possible re timing Dept's action on Kem Amendment.

Dept pass London; sent Dept 171, rptd info London 65.

SATTERTHWAITE

493,46E9/9-2051

*Statement by the Ambassador in Ceylon (Satterthwaite)*¹

SECRET

[COLOMBO, September 17, 1951.]

My Government has instructed me to say in a spirit of friendship that it is greatly concerned over the consequences of the failure of Ceylon to cooperate with the strategic embargo of the United Nations against the Chinese Communists. As the Government of Ceylon knows the embargo is being applied in accordance with the Resolution of the General Assembly of the United Nations, dated May 18, 1951, by a sizable majority of the members of the United Nations, and by several non-members, including the German Federal Republic, Italy, Japan and Spain. The General Assembly in this Resolution called on all states and not only member-states to take such action. While the United States is indeed gratified at the cooperation of the Government of Ceylon at the Japanese Treaty Conference in San Francisco, it wonders whether it is not incumbent upon the Government

¹ Sent to the Department of State as enclosure 1 to despatch 268 from Colombo, September 20, 1951, not printed.

of Ceylon, which is seeking admission to the United Nations, to accept a share of the responsibility and the burden of the present struggle of the United Nations against aggression.

The important assistance to the enemies of the United Nations and of the United States represented by the shipment on the M. S. "Mickiewicz", and by any other shipments which might follow, could not fail, it should be emphasized, to arouse the deep resentment of the United States Congress and public. My Government feels that the Government of Ceylon has a real and obvious stake in the joint efforts to deter or suppress aggression before the stage is reached at which Ceylon might find itself an immediately prospective victim. It is therefore reluctant to believe that the Government of Ceylon cannot see its own self-interest in combating aggression before it gains even greater scope and momentum.

My Government has therefore instructed me to say that if Ceylon rubber moves to communist China, it will be impossible, as previously indicated to the Government of Ceylon, for the United States to render assistance in licensing sulphur for Ceylon. This sulphur would contribute to the production of rubber which goes to enemies actively engaged in aggression as defined by the United Nations. The people of the United States could not understand this action on the part of Ceylon nor the action of the United States in rendering assistance with respect to sulphur.

The Government of the United States has gone to great lengths to make sulphur available to Ceylon. It has done this because of its friendly relations with the Government of Ceylon and the friendly reception given by that Government in the past to the points previously made by the American Embassy which lead to the hope that the Government of Ceylon would come to concrete and full support of the position of the United Nations and the free world, as it did so ably at the Japanese Treaty Conference. Other countries supporting the United Nations Resolution also have great need for sulphur. Furthermore, other countries which are natural rubber suppliers also desire the higher price available outside of the free world but refuse to accept such prices in favor of the ultimate benefit of united action.

For manifest reasons of friendship, the United States is making no public announcement of the present delay in licensing the shipment of sulphur and hopes most sincerely that appropriate action on the part of the Government of Ceylon with reference to the M. S. "Mickiewicz" will allow the sulphur to proceed as soon as possible.

In conclusion, it is necessary again point out to the Government of Ceylon that the movement of Ceylon rubber to a communist area will make it impossible for the Government of the United States to grant to Ceylon an exception under the Kem Amendment or the Battle Bill.

493.46E9/9-1751 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET PRIORITY

WASHINGTON, September 17, 1951—6 p. m.

105. Jayewardene, Corea, Senanayake, Coomaraswamy, visited Dept late Sept 13, fol luncheon honor Jayewardene by McGhee Sept 12. In course pleasant conversation opportunity taken point out grave US view of proposed rubber shipments and the moral and material aspects of the problem along lines you covered previously with GOC. Jayewardene and Senanayake seemed genuinely impressed with gravity of situation after raising points: (1) Ceylon economy requires free market price rubber and (2) only UNP opposition is Marxist group which wld make telling political capital of GOC refusal ship Commie Chi; latter pt serious in view oncoming elections. FYI in later informal conversation Sept 15 Coomaraswamy confided that they had discussed matter and Jayewardene convinced must present in strongest terms to PriMin case against shipments Commie Chi; Coomaraswamy reported Jayewardene said he wld upon return Colombo emphasize necessity stopping shipments by technicalities rather than by embargo.

Jayewardene noted need US assistance re: (1) finance for development program (Jayewardene did not present formal note last para Embtel 144 Sept 5, but Coomaraswamy did supply brief papers on Walawe and rural projects. Dept followed Emb suggestions last para Embtel 134, Aug 31.¹), (2) newsprint for Ceylon in light of coming elections and (3) priority on equipment, etc., needed in development Walawe and other projects.

Dept investigating pt (2); re pt (3) suggested company now in Ceylon might be of aid if the contract were concluded and requirements defined. In general delivery time up to 2 years hence on much scarce equipment.

Jayewardene will see newsreels his participation San Francisco conf. Group reported going Ottawa and London on return Ceylon by Oct 6.

Para 2 Embtel 166 Sept 14, decision not yet reached re participation exhibition but Dept believed no advantage in deferring decision.

Kerrigan expected arrive Colombo momentarily. Decision proceed negots Megawatt station may be reviewed by Emb with Kerrigan in light atmosphere prevailing during his visit.

WEBB

¹ Telegram 134 from Colombo not printed, but see footnote 3, p. 2042.

493.46E9/9-2051

*Memorandum of Conversation, by the Counselor of Embassy in Ceylon
(Gufler)*¹

CONFIDENTIAL

COLOMBO, September 17, 1951.

Participants: M. R. Metcalf, Acting U.K.H.C.

Bernard Gufler, Counselor of Embassy

Subject: U.S.-U.K. Efforts to Prevent Rubber Shipment to Communist China.

In accordance with the Ambassador's instructions I called this morning on Mr. Metcalf to inform him of the results of the Ambassador's conversation today with the Prime Minister regarding the rubber shipment to Red China that is going forward on the Polish vessel *Mickiewicz*. I gave him the substance of the Ambassador's representations to the Prime Minister together with an outline of the Prime Minister's arguments in reply.

Mr. Metcalf asked whether we had made a particular point with regard to the possibility that the Prime Minister might be disposed to prevent future shipments of rubber to Communist China. I replied that there had been reference to the possibility of future shipments in the Ambassador's remarks, and that the Prime Minister in refusing to take any steps had not specifically referred to the question of future shipments. He had, however, given a negative reply to the representative in such a way as to imply that he would take no steps to prevent any future shipments.

Mr. Metcalf remarked that, although he naturally had done everything within his power to persuade the Ceylon Government to embargo rubber shipments to Red China, he had a certain understanding for the Prime Minister's position. He stated that both British and American representation regarding rubber shipments had hit the Ceylonese on two points with regard to which they are extremely sensitive. They are anything which concerns rubber and anything which gives them any intimation that Western powers are attempting to form their policy for them or in any sense to limit their freedom of action. He went on to say that we should never forget that many prominent Ceylonese had been in British jails.

Mr. Metcalf is inclined to believe that the Prime Minister is on very firm ground, indeed, when he states that it would be politically dangerous for him and his Government to intervene to prevent the

¹ Sent to the Department of State as enclosure 1 to despatch 272 from Colombo, September 20, not printed.

rubber shipment from going forward on the *Mickiewicz*. I remarked that we naturally accepted the point that Mr. Senanayake must be the final authority on his own domestic political position and the necessities of that position. It was, however, difficult for us to make clear to our own Government what lies behind the bald statements that "it would be political suicide for the Government to stop rubber shipments" and that "it would drive Ceylon to Communism if the Government stops the shipment." While we naturally could not expect the Prime Minister to disclose his political strategy to us, it was hard for us, on the basis of anything we could discover, to convince ourselves that shipment of rubber to Communist China represented such a vital factor in Ceylonese domestic problems, especially since the rubber would have been sold some place else if it had not been sold to China. Mr. Metcalf replied that the domestic political difficulty presenting itself to the Prime Minister in this connection was not so much what the Communist Party or other opposition party might do but what could eventuate among the Prime Minister's own supporters in his own party from an intervention by the Prime Minister in the extremely sensitive field of rubber politics.

Mr. Metcalf then expressed the opinion that it was now up to us to consider what we might do in the future to better the situation. He said that he had no instructions from London but that he intends to place the following proposal before London in the hope of obtaining approval for it. He will propose that he be authorized within the near future to approach the Prime Minister, saying to him that we know very well that he does not really like the rubber business with Red China any better than we do, and that we would like to know what he might have to propose from his side with a view to putting a stop to further Ceylonese rubber exports to China. Mr. Metcalf believes that, if the matter can so be handled as to lead the Ceylonese to make some proposals from their side, we may be able to accomplish something concrete and satisfactory. He thinks that they will merely stiffen their backs if they continue to feel that we are trying in any way to dictate to them or to force their position. He suggests that, if we are willing at an appropriate time in the near future to indicate to them that we would welcome suggestions from their side and at the same time to tell them that we will let bygones be bygones insofar as the *Mickiewicz* is concerned, we may be able to arrest what could otherwise be a drift in the wrong direction on the part of Ceylon. He emphasized in this connection that the Prime Minister is basically our friend and definitely the best friend we are likely to have in Ceylon.

493.46E9/9-2051

*The Ministry of External Affairs of Ceylon to the Embassy in Ceylon*¹

SECRET

AIDE-MÉMOIRE

The Government of Ceylon deeply appreciates the spirit of friendship in which the concern of the United States over the export of rubber from Ceylon to Communist China has been expressed, and, although Ceylon's position has been previously explained, further clarification appears to be necessary in view of the consideration urged in the "Note" handed by the United States Ambassador on 17.9.51.²

2. Ceylon's decision not to apply the strategic embargo of the United Nations in respect of her own exports of rubber is not due to any lack of appreciation on her part of the significance and purpose of the United Nations resolution or of the need for its application by members as well as non-member states of the United Nations. It is not due to any lack of appreciation of the intensity of the present struggle of the United Nations against aggression. Ceylon's unstinted support of United Nations ideals and purposes, despite her exclusion from membership, and her ardent desire to oppose Communism in all its forms have been made amply clear to the world not only through the part she played at the Japanese Peace Treaty Conference but also on every conceivable occasion on which it became relevant to declare Ceylon's alignment on this issue. If the American Embassy in Ceylon had kept in touch with the Parliamentary proceedings and press reports of the public speeches of the members of the present Government, it would have been patently clear to them that we were not out to make any compromise with Communism within or without Ceylon. That there should be any room for doubt on this score, or any suggestion that Ceylon is not fully alive to her own stake in the joint efforts of the democratic world in combating Communist aggression, is a matter of great regret to the Government of Ceylon.

3. The question, therefore, of the control of destination of the export of rubber should be discussed in the light, partly of the economic, political and social stability of the producing countries and partly of an issue between producers and consumers. It is unreasonable to expect blind subservience to the United Nations resolution, which is believed to result, sooner or later, in unfair advantage to certain

¹ Sent to the Department of State as enclosure 2 to despatch 268 from Colombo, September 20, not printed. This *aide-mémoire* was handed to the Counselor of Embassy, Gufler, by Sir Kanthiah Vaithianathan on the afternoon of September 18. The text of the *aide-mémoire* was also transmitted in telegram 175 from Colombo, September 19, not printed (493.46E9/9-1951).

² Reference is to the paper from which Ambassador Satterthwaite made his representations on September 17 (p. 2053), a copy of which he left with the Prime Minister.

industrialists in consuming countries. It is unnecessary to recount here fully Ceylon's readiness and willingness to stabilise the price of natural rubber at a fair level to both producers and consumers, which has been expressed on more than one occasion in the past. It should suffice to refer only to the recent approach by the Government of the United States for an arrangement for the purchase of Ceylon rubber in bulk. Although the Ceylon Government has welcomed this approach, as it did previous proposals of a similar nature, the United States Government has not seen fit to pursue it further. While not desiring to indulge in recriminations, it is necessary, however, to point out that had the United States Government assisted Ceylon in stabilising her market in rubber, by some mutually acceptable arrangement for purchase, the Ceylon Government would have been spared the unpleasantness of seeking to do this herself, even at the expense of declining to impose a destinational ban on her exports.

4. There is a statement in the Embassy "Note", which appears to interpret Ceylon's attitude as being based on a desire to obtain "the higher price available outside of the free world". It can only be assumed that this is a misunderstanding, for it was clearly stated in this Ministry's *Aide-Mémoire* of 10th September that "the Ceylon Government is perfectly content with (the existing) state of affairs and has no *need* or *desire* to seek new markets in Communist countries". The only desire of the Ceylon Government is that the stability of the rubber market, which is vitally important to the economy of the Island, should not be disturbed. There appears to be a feeling among consumer countries that the prevailing price of rubber is exorbitantly high and that Ceylon, among other producers, is unreasonable in demanding the continuance of prevailing high prices. That present prices of rubber are high there is no doubt, but it does not always seem to be equally admitted that the differential increase in the price of rubber above prewar prices is far less than the corresponding increase in the prices of our essential foodstuffs and other consumer commodities. It will be recalled how in World War II, when Ceylon was the sole supplier of rubber to the United States, and was, therefore, in a position to dictate any price she pleased, she did not succumb to the temptation of the price-factor in that emergency. Even though her rubber industry was allowed to languish after the war, we are not short-sighted enough to think that there is material advantage in "the higher price available outside the free world" for small quantities which tramp ships may carry.

5. Contrary to the impression created by the "Note", Ceylon's decision against the application of the embargo in respect of rubber has been taken after most careful consideration of all the factors involved, and represents a sincere conviction that the imposition of such an embargo will be gravely detrimental to the well-being of the Island

and will inevitably create political reactions which can only be favourable to the Communist cause. That other countries which are natural rubber suppliers have found it possible to apply the embargo, despite the admitted economic disadvantages, is an argument that Ceylon cannot accept; for these countries are already in a state of political instability and any political repercussions arising from such action cannot appreciably affect their situations one way or the other. Ceylon, on the other hand, has been singularly fortunate in keeping an effective check on the Communist ambitions, and the Government emphatically cannot contemplate any step, such as the imposition of a strategic embargo, in the face of positive knowledge that, such a step will give the local Communists a real advantage.

6. Having explained again at length the reasons which have made it necessary for Ceylon to take up her present attitude, I can only add that the people of Ceylon, no less than the Government, continue to cherish the friendliest feelings towards the United States and her people in our common cause against Communism and in the furtherance of our common ideals. Should the people of the United States find it impossible to continue to render assistance to the people of Ceylon in securing supplies of much needed commodities, of which sulphur is but an example; and should the Government of the United States find it necessary to deny to the people of Ceylon the benefits that flow from a generous programme of economic assistance initiated by the Government of the United States; the people of Ceylon can do no more than express their deep regret and disappointment that their own efforts toward self-preservation should bring about such a state of affairs. We trust, however, that it will be appreciated that what the people of Ceylon desire is the same objective against Communist aggression as is being pursued by the United States of America, but to our minds it can only be achieved on the basis of a far-sighted policy of genuine united action.

COLOMBO, 18th September, 1951.

493.46E9/9-1951 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, September 19, 1951—8 p. m.

179. Assume no announcement re suspension econ assistance Ceylon will be made before *Mickiewicz* actually sails which now unlikely (Embtel 178)¹ before 21st. We are preparing some comments on GOC reply to our representations transmitted today's Embtel 175² which

¹ Not printed.

² Not printed, but see footnote 1, *supra*.

Dept may wish Emb make orally to GOC at time announcement is made. I wld appreciate advance notice timing and nature announcement and assume no mention will be made of sulphur.

Re comment in Deptel 105 Sept 17 re Colombo exhibit we believe deferment decision re participation wld be advantageous as that wld still make it possible for us participate if Ceylon were finally persuaded observe UN embargo.

I discussed situation at length this morning with Lord Soulbury who feels arguments contained in GOC reply except for first sentence para 5 very weak. Gov Gen, however, has now been convinced it wld in fact be disastrous from standpoint polit fortunes PriMin and for GOC institute destinational control at this time. He said it wld be like asking UK Labor Party take some action leading to its defeat. While it might be more noble for Labor Party do so facts of life are such that it wld not.

In meantime, any details in addition, those contained Deptel 105 which Dept cld give Emb re argument presented by Jayewardene in defending GOC policy wld be helpful.

Repeated information London 75.

SATTERTHWAITE

493.46E9/9-2051 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET

COLOMBO, September 20, 1951—5 p. m.

181. From remarks by MEA officials it appears Sept 18 *aide-mémoire* transmitted Embtel 175 Sept 19 may have been put together in MEA on own initiative in endeavor record best possible case for Ceylon in view rambling and inconsistent nature arguments presented orally by PriMin response my reps on Sept 17. Gen illogical nature and inconsistencies give impression that drafters paper did their hasty best with what they must feel will not appear to US as good case. For example note inconsistency between protestations ideological purity in para 2 and assertions friendliness to US and appeal to US pursue "farsighted policy genuine united action" in para 6 on one hand and extreme preoccupation with Ceylonese econ self-interest shown throughout document on other.

Principal arguments set forth to justify GOC posit paras 3, 4, and 5 show strong preoccupation with Ceylonese econ self-interest, belief in uniqueness Ceylon as compared with other south Asian countries (note para 5 sentences 2 and 3) and conviction that Ceylon has already made sacrifices, particularly during World War Two, that have not been adequately appreciated or compensated. Paper also attempts show that Ceylonese efforts obtain coop in deserved stabilization her

rubber market have been frustrated and that unwillingness GOC impose destination control on rubber exports arises from our failure extend her support in merited stabilization her rubber market.

Were we confronted with mere exercise in logic, *aide-mémoire* wld be easy answer by employing its own inconsistencies against it, by citing attitude Ceylon at London and Rome rubber mtgs, by pointing out that prices commodities imported by Ceylon have also been controlled and that US and other countries made much greater sacrifices during World War Two.

Re arguments last sentence para 3 it shld be noted: (a) GOC recd US approach with minimum interest (b) US decision defer conversations re contract taken only after GOC refused embargo rubber and arrangements completed for shipments Commie Chi (c) Emb has observed no indication willingness imposed destination control implied this sentence.

It is difficult however meet polit argument set forth by PriMin and referred to in sentence one para 5 of *aide-mémoire*. We might argue that Commie opposition in Ceylon will in any event oppose govt in coming elections and that PriMin wld gain by taking strong stand in support UN and non-Commie world in hope consolidating support from non-Commie elements.

PriMin is however in posit being final auth on own polit posit and necessities arising from that posit. Furthermore both acting UKHC and GovGen are convinced validity PriMin's contention re domestic polit situation and believe him justified in fearing loss support his own party members.

I recommend that announcement US Govt cannot extend Ceylon exception under Kem amendment or Battle bill refer merely to circumstances that Ceylon has permitted export to Commie Chi of strategic material in conflict with UN res. I also recommend that announcement contain statement to effect we especially regret necessity taking this action in view excellent coop GOC has extended to other UN activities and strong posit it has taken in combatting Commie ideologies.

Above recommends made in thought that we shld handle present controversy in such way as to avoid insofar as possib unduly antagonizing GOC or driving it into position sharp public opposition.

Aside from fact that present govt is most friendly and pro-Western we are likely have, we shld bear in mind that if its refusal impose destination control on rubber exports becomes subj of lively public controversy it may endeavor dramatize its stand throughout Asia as brave little country that stood up to great west Colossus. Fol posit taken by Ceylon rep at San Francisco its "defiance" of US might then

put it in a posit to tell rest of Asia that it is not afraid to defend interests of Ceylon against both Sov and Amer pressures.

While I am convinced we must without fail withhold econ assist from Ceylon for time being I also feel we shld endeavor persuade GOC change its policy as soon as possible so that we may resume our former close relations and thus avoid driving Ceylon into psychological state of illogical opposition which has recently characterized for pol Afghanistan, Iran and several Arab states.

I strongly urge Dept not announce refusal grant exception under Kem amendment or Battle Bill until Emb has recd advance notice and has had time inform GOC date it will be made public. Pls also inform Emb soonest in detail full scope and significance steps which Dept will take in withholding econ assistance.

Rptd info London 76.

SATTERTHWAITE

493.46E9/9-2051 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET

WASHINGTON, September 21, 1951—8 p. m.

113. Urtels 179, Sep 19 and 181, Sep 20. In event *Mickiewicz* actually sails with rubber, Dept contemplates confidential exchange notes GOC before publicity termination aid. Although Kem and Battle Legislation require rpt to Cong, Dept will endeavor eliminate undue publicity. Guesses or leaks almost inevitable. In any event notes or official US publicity wld not mention sulphur. Dept fully appreciates considerations paras 8 and fol Embtel 181, Emb will receive advance notice any action.

Re para two urtel 179, Dept believes there shld be no connection possible action under Kem or Battle legis and decision by US participate exhibit.

WEBB

493.46E9/9-2151 : Telegram

*The Acting Secretary of State to the Embassy in Ceylon*¹

SECRET

WASHINGTON, September 21, 1951—8 p. m.

114. Amb Corea called at Dept request discuss rubber as noted Deptel 104, Sept 13. Dept reiterated reasons U.S. Govt concerned rubber shipment Commie Chi indicating realization GOC completely sympathetic UN aims as shown recent San Francisco conference and finding it difficult understand GOC non-cooperation UN embargo.

¹ Repeated to London as 1616 and to Djakarta as 366.

Amb Corea repeated arguments already used by GOC and in addition stated Ceylon producers fearful rubber future based on experience World War 2.

Following points discussed:

1. Amb stated freedom of trade necessary Ceylon's economic future. Any official act GOC restraint of trade help Communists against present govt.

Dept emphasized GOC consider importance Ceylon's freedom doing all possible combat Communism Asia and helping UN resist aggression.

2. Dept pointed necessity holding release export licenses 200 tons sulphur pending outcome shipment rubber Commie Chi. Rubber shipment automatically prevent export sulphur Ceylon.

Amb believed this action regrettable at this time and would have wrong effect Ceylon people who would interpret as U.S. economic embargo.

Dept assured action not embargo but automatic reaction rubber shipment. Dept was fol with great interest allocation newsprint Ceylon and as far as sulphur were concerned Dept instrumental Ceylon annual requirement available third quarter allocations. Amount sulphur small in any case and GOC might obtain other sources.

Amb emphasized quantity sulphur not small and most important Ceylon. Impossible obtain outside U.S.

3. Dept explained operation Kem Amendment and Battle bill indicating latter may be passed early Oct would probably include rubber as critical material. Law requires shipment such material Commie nations automatically result cessation all economic assistance shipping country including grant aid, technical assistance, bank loans, possibly Fulbright funds.

Amb understood Battle bill gives wide discretionary powers President and opined U.S. take into account internal political situation each country concerned in arriving final decision. If principle accepted refuse economic aid those countries shipping important material Commie nations why discriminate against Ceylon and permit United Kingdom ship machine tools USSR. Amb again emphasized importance shipment sulphur Ceylon expressing hope export permitted regardless requirements Kem Amendment and Battle bill.

Dept corrected Amb misconception noting sulphur export has no connection Kem Amendment or Battle bill. These bills deal only with economic assistance and do not necessarily affect export licenses.

4. Amb asked if assuming *Mickiewicz* rubber shipment cessation economic assistance would also apply food grain request to be officially submitted.

Dept stated when request received would consider as economic aid and may be required reject by law.

Amb thanked Dept explanations indicating he would raise points covered with GOC. He repeated hope sulphur be allowed move Ceylon which could serve for renewal conversations find politically acceptable method prevent movement rubber Commie nations.

Atmosphere discussion cordial and frank. Dept believes Amb Corea sincere wishes prevent shipment rubber. Dept received impression Amb believed *Mickiewicz* shipment rubber might still not move. Amb indicated he cabled GOC urging stopping by technicality.

Dept hopes GOC may find way stop rubber. Commerce cooperating maximum possible delay sulphur action in view this hope. If rubber stopped after final sulphur action this quarter, fourth quarter sulphur will present normal difficulties.

WEBB

446E.119/9-2751 : Telegram

*The Secretary of State to the Embassy in Ceylon*¹

SECRET

WASHINGTON, September 27, 1951—10 a. m.

121. Amb Corea renewed request for help re sulphur. He recognized special relationship to rubber but asked we not deny help this specific case on basis Ceylon's status shld be determined under Kem Amendment prior refusal assist individual cases. He clearly concerned lest present irritation might lead to deteriorating relations over period time.

Whole problem reviewed in detail. In particular PM's comments to effect that perhaps just as well US cld not provide sulphur and US must face possibility this may drive Ceylon into other camp reported to Corea (Embtel 171 Sept 17). Corea said possibility this attitude being taken by GOC is what he feared and anxious avert. It was suggested PM's comment was subj possible interpretation as threat to align Ceylon with Commie bloc and that this approach to problem if true was not likely get sympathetic hearing US.

Special emphasis was given US effort in Korea and grave polit problem posed for US if we assisted in obtaining a very short and strategically important commodity (i.e., sulphur) for country which was in effect helping our enemy. On balance it seemed to Dept this polit problem outweighed Ceylon's polit difficulty although it recognized latter did exist. Mention also made of fact Indonesia closely watching our position and failure to maintain strong line wld probably lead to complete breakdown rubber embargo other countries.

Corea told further thought wld be given his request but it most unlikely anything cld be done help obtain sulphur under current situation.

FYI Dept does not intend change position.

ACHESON

¹ Repeated by air for the information of London and Djakarta.

493.46E9/9-2851 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

SECRET PRIORITY

COLOMBO, September 28, 1951—4 p. m.

211. I asked Vaithianathan this morning whether in his opinion there was any possibility GOC taking action which wld delay or prevent departure *Mickiewicz* (Deptel 120 September 26)¹ saying if there was I wld like see PriMin in final effort persuade him take such action. Vaithianathan said it wld be entirely useless do so, that for polit reasons it was impossible for PriMin prevent departure, and that Cabinet had met yesterday for first time in several weeks and approved PriMin's decision.

In ensuing discussion we agreed that situation was in brief as follows: Emb had made it clear to GOC for past several months that if Ceylon rubber was shipped to Commie Chi contrary UN embargo US wld have no choice but discontinue any further econ assist to Ceylon: PriMin had hoped rubber wld not be shipped but for polit reason was unable take action prevent it.

In further discussion Vaithianathan said that Jayewardene had sent only brief report this discussion with McGhee. He had indicated great importance US Govt attached to preventing sailing *Mickiewicz* but said he wld report in detail to PriMin on his return. He is expected here day before PriMin's departure (Embtel 207 September 27)² for Australia.

I read Vaithianathan excerpts from Deptel 121 September 27 (including sentence re Indonesia) in connection with further discussion sulphur. It appears that Corea may have made this presentation on his own initiative. Vaithianathan said Emb had made it perfectly clear that we cld not provide sulphur if GOC permitted shipment rubber to Commie Chi and that Cabinet now understood this situation.

An interesting sidelight Vaithianathan said he had heard Home Min Goonetilleke quoted as saying in Cabinet mtg that wrangle with USA wld be worth three million votes to UNP.

In course discussion I said that while I had endeavored understand basis Ceylon's position it was important that he understand that of

¹ Telegram 120 to Colombo, September 26, not printed, suggested that, in view of the present and potential future delay of the *Mickiewicz* and if the Embassy deemed the atmosphere favorable, the Prime Minister be approached to delay the vessel's departure until after the arrival of Jayewardene. The Department felt that Jayewardene might be able to influence the government of Ceylon with the impression derived from his visit to the United States and his conversations in Washington. (493.46E9/9-2651)

² Not printed.

the US, namely, that China had already early this year recd 5 times as much rubber as it normally needed for civilian consumption, that rubber being shipped on *Mickiewicz* was destined for North Chi where it wld go directly into Chi war machine for mil use against UN forces and that in circumstances US Govt and people wld be unable understand this action on part GOC and cld not in circumstances be expected extend Ceylon further econ assist.

In view foregoing I have not requested appointment with PriMin. *Mickiewicz* expected sail by Sunday ³ if prevailing stormy weather permits.

Rptd info London 86 Djakarta 19.

SATTERTHWAITE

³ September 30.

746E.5/8-951

The Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to Mr. Frank C. Nash, Special Assistant to the Secretary of Defense

TOP SECRET

WASHINGTON, September 28, 1951.

MY DEAR MR. NASH: Reference is made to telegram No. 91 and despatch No. 132 of August 9, 1951 ¹ from the American Embassy at Colombo, copies of which have been distributed to the Department of Defense.

The Government of Ceylon has indicated tentatively and informally the possibility of the United States establishing certain types of bases in Ceylon. At one time the Department of the Air Force had wished to establish a communications station in Ceylon. However, it appears the urgent need for this facility is under reconsideration by the Air Force. The United States Ambassador in Ceylon, knowing this, has not attempted to explore the subject with the final authority in Ceylon.

I would appreciate advice from the Department of Defense as to its interest in or need for the type of installation described in the above mentioned communications.

Sincerely yours,

GEORGE C. MCGHEE

¹ Despatch 132 from Colombo, August 9, not printed, supplemented telegram 91 from Colombo of the same date and dealt further with the proposed stationing of U.S. Air and Naval forces in Ceylon and with the proposed inclusion of Ceylon in a regional pact (746E.5/8-951).

493.46E9/10-551

*Memorandum by the First Secretary of Embassy in Ceylon (Black)
to the Ambassador in Ceylon (Satterthwaite)*¹

CONFIDENTIAL

COLOMBO, October 3, 1951.

Subject: Effect of Purchases for China on Ceylon Rubber Market

In his conversation with you and Mr. Gufler this morning, I understand that Sir Oliver Goonetilleke took the position that during July, August, and September there were few orders on the market for Ceylon rubber and that if large scale purchases by China for shipment on the *Mickiewicz* had not been made, rubber prices on the local market would have dropped drastically.

This is quite contrary to my previous understanding of the situation which was that Ceylon rubber would have moved freely at world prices even if China had not entered the market. This would seem to be confirmed by the fact that the shippers with Chinese contracts were forced to pay premium prices to other shippers for rubber in order to divert it from its normal markets.

This noon I checked with four of the leading rubber shippers in Colombo.* I asked two questions:

(1) Would there have been a firm demand at world prices for Ceylon rubber during the past three months if China had not entered the Ceylon market?

(2) Is there any foundation whatsoever for the claim that prices of Ceylon would have dropped below world prices if China had not entered this market?

To the first question the answer from all four firms was an emphatic and categorical "Yes", to the second, an equally emphatic and categorical "No".

¹ Sent to the Department of State as enclosure 1 to despatch 311 from Colombo, October 5, not printed.

*Ceylon Trading Company, Ltd.

Hayley and Kenny, Limited.

Harrisons and Crosfield, Ltd.

Henderson and Company. [Footnote in the source text.]

493.46E9/10-551

*Memorandum of Conversation, by the Counselor of Embassy in
Ceylon (Gufler)*¹

CONFIDENTIAL

COLOMBO, October 3, 1951.

Participants: Sir Oliver Goonetilleke, Minister of Home Affairs and Rural Development and Leader of the Government party in the Senate, and Ambassador Satterthwaite and Mr. Gufler of the American Embassy

Subject: Shipment of Rubber to Communist China

During the course of a courtesy call on Sir Oliver Goonetilleke, the Ambassador turned the conversation to the shipment of rubber for Communist China which left Colombo harbor last evening on the Polish ship *Mickiewicz*. The Ambassador expressed the hope that some means could be found of preventing further shipments in order that the relations between our two countries might be improved. Otherwise more rubber would certainly be sold to Communist China and this would aggravate the present situation.

Sir Oliver confirmed that he was familiar with the Ambassador's representation to the Prime Minister regarding the sale of rubber to Communist China and with the Prime Minister's reply. He asserted that it was a matter of absolute political necessity for the Government not to prohibit the shipment of rubber to Communist China or to engage in destination control over rubber shipments leaving Ceylon. He complained of the British imposition of destination control on rubber shipments from Malaya and of the circumstance that this control had been imposed without consultation with the Ceylon Government. He claimed that in so doing the British Government had acted in bad faith and had in fact violated an agreement not to do so. At the same time he mentioned British shipments of rubber, steel and many other items to the Soviet Union and added that, insofar as the Government of Ceylon was concerned, there was no difference between shipment to China and shipment to the Soviet Union.

The Ambassador replied that destination control had been imposed by the British in accordance with a UN decision and that there was a difference between shipment to the Soviet Union and to Communist China, since the latter had been declared by the UN to be an aggressor and was actively engaged in combat with American, British, French, Turkish, Ethiopian and other UN contingents defending Korea against Red Chinese aggression. While we could well under-

¹ Sent to the Department of State as enclosure 3 to despatch 311 from Colombo, October 5, not printed.

stand and sympathize with the importance which the Ceylon Government attaches to its rubber industry, the Ambassador continued, the important factor to the American Government and people was that this rubber would go directly into the Chinese communist war machine and would be used against our troops. He also expressed the hope that the Ceylon Government would consider what the situation in Southeast Asia might well have been if the UN had not intervened in Korea; all of Southeast Asia would probably have fallen to the Communists by this time and Ceylon itself might have been in a critically exposed position.

Referring to the point that the embargo on Communist China had been imposed by the UN, Sir Oliver emphasized the fact that Ceylon is not a member of the UN. He endeavored to chide us by saying that neither the US nor the UK spent any sleepless nights over the Soviet veto preventing Ceylon's admission. He then went on to say that he had almost succeeded on one occasion in persuading Vishinsky to vote for the admission of Ceylon. Vishinsky's price had been an agreement on the part of Ceylon to sell all its rubber to the U.S.S.R. As a trick, Sir Oliver said he had tentatively agreed to this. The night before the vote however the Prime Minister had made a statement in Colombo saying that under no circumstance would Ceylon sell all its rubber to the U.S.S.R. This ruined any chance Ceylon had of preventing the Soviet's veto. Vishinsky was so annoyed that he would not even speak to Sir Oliver for several days thereafter.

Sir Oliver went at length into the history of his experiences and those of his country in the rubber market. He stated that during the last world war Ceylon had produced 90 per cent of the natural rubber available to the United States and its allies and that it had agreed to content itself with a profit on its rubber business equivalent to the pre-war normal peace-time profit and to sacrifice the large gains it could have made. He stated that a secret communication of President Roosevelt's had been shown (but not handed) to the Ceylonese during the latter part of the war in which they were exhorted to tap their rubber up to the limit without regard to the damage they might do to the trees with the assurance that they would not lose thereby. He went on to say that after the war he had estimated that Ceylon had lost in one way and another some two hundred millions of rupees as a result of destructive tapping methods and sacrifice of profits that it would have made had it been able to continue business in a normal pre-war manner and at a normal pre-war profit markup. He had endeavored in vain to obtain compensation for this loss from both Great Britain and the United States.

Reverting to the present situation, the Ambassador remarked that the Prime Minister had told him on several occasions that he, the Prime Minister, hoped no rubber would be shipped to Communist China, but that it would be impossible for him to do anything to prevent any such shipments if the facilities therefor became available. The United States had done its best, the Ambassador continued, to keep the Prime Minister from being confronted with this situation by endeavoring to deprive the Polish vessels of the necessary bunkers. This effort was however unsuccessful as the *Mickiewicz* had arrived with sufficient bunkers to take it all the way to China and part way back.

Upon the mention of bunkers Sir Oliver, apparently with a guilty conscience, undertook to give an explanation of the role he had played in the incident raised by the attempt of Sir John Kotelawala, Minister of Transport and Works, to compel the British and American oil companies here to furnish bunkers to Polish Line vessels. Sir Oliver said that the Prime Minister had mentioned this to him and that he had told the Prime Minister that, of course, if the British and American oil companies felt they were unable to furnish bunkers to these ships the Government should not endeavor to make them do so. The Ambassador thereupon pointed out that he had indeed made representations on this subject at that time because the Prime Minister had given him repeated assurances that he would do nothing to facilitate the shipment of rubber to China. The order which Sir John had sent to the British and American oil companies ran directly contrary to these assurances.

Sir Oliver also contended that at the time rubber was bought for shipment to China no one was in the rubber market and that rubber sold to China would have lain on the market without takers with disastrous results to the price of rubber had it not been sold to the Chinese. He remarked that he was well aware that the extra profit on the sales to China arising from the premium prices paid by Red China had not benefited the growers and had remained entirely in the pockets of the shippers. This circumstance, he felt, should make it all the more easy for the U.S. to solve the problem by an agreement to buy up the entire Ceylon rubber output at the going market price. If, he said, the U.S. takes the entire output at the going market price, the Government of Ceylon will not be faced with the necessity of permitting sales of rubber to Red China in order to prevent available and unsold rubber from having a disastrous effect on the market.

The Ambassador stated that he did not want to enter into an argument with Sir Oliver in regard to the state of the rubber market, since

he did not pretend to be an expert on this matter, but added that it was his distinct understanding that the rubber that was sold to Red China would have been absorbed by the market had it not been sold to the Chinese. Sir Oliver was, however, firm in sticking to the point that only the sale to the Red Chinese had avoided the danger of a crash in Ceylonese rubber prices.

The conversation was amicable and on a generally cordial although "agree-to-disagree" basis. Sir Oliver several times verged on the emotional. For example, at one point he cited the things Great Britain and other nations had done in the way of trade with the Soviet Union and Iron Curtain countries and then went on to say these things had been tolerated but that we seem to be inclined to come down hard on "poor little Ceylon". He did not, however, go off into a really emotional demonstration on this matter. He repeatedly returned to the theme of how easy it would be for "your great country" to solve the whole matter by buying up the entire Ceylonese rubber production at the going market price. In this connection he referred to "this dying Ceylonese rubber industry" and remarked that it was now in such a state that a buyer could purchase an acre of rubber trees in some areas for £s.200, cut the trees down and sell them off for wood at £s.250 and have a £s.50 profit.

Upon our taking leave Sir Oliver said that he hoped we would not overlook all the occasions in which Ceylon had been helpful to the US and the UN. So long, however, as Great Britain was allowed freely to sell rubber and other products to the Soviet Union and other satellite states, it would be politically impossible for Ceylon to prevent the sale of rubber to Communist China. If the United Kingdom and other European nations imposed a complete and effective embargo on the shipment of strategic materials to all communist countries Ceylon would follow suit immediately. Moreover he could assure me that if a world conflict broke out the Prime Minister would immediately prevent the sale of rubber to communist China no matter what the consequence to him politically.

493.46E9/10-1051 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Secretary of State

CONFIDENTIAL

COLOMBO, October 10, 1951—5 p. m.

244. Gufler and I called this morning on Min Fin Jayewardene who returned here evening 7th. After congratulating him on distinguished part he played at Jap Peace Conf I turned subject to Ceylon rubber shipments to Commie China. He made it clear he was deeply impressed by strong views expressed by McGhee and others in Dept. He had

promised discuss problem with PriMin on his return but as I cld understand had been unable do so before PriMin's departure morning 8th.

I expressed hope we cld find some solution to difficulties caused by recent shipment satisfactory both countries. Further shipments to Commie China wld almost certainly take place however unless GOC found some means preventing them. Jayewardene said he hoped we cld find some means getting PriMin out of his present difficulty and suggested as possible solutions our bulk purchase Ceylon's rubber or admission Ceylon to UN.

He said he wld like discuss problem with me later on at greater length.

In course conversation I mentioned feeling attributed to certain members GOC that quarrel with US over rubber wld be politically advantageous to UNP. He said he had been so busy seeing his constituents and with meetings since his return he had not heard about this. I also mentioned feeling on part certain GOC members that there was no alternative market for rubber sold China and said Emb had been assured by number leading rubber dealers that every lb. sold China wld otherwise have been purchased by their regular customers at world price.

For full report recent discussion same subject with Min Transport Kotelawala and Home Min Goonetilleke see Embdes 311, Oct 5.

Dept pass London. Sent Dept 244, rptd info London 93.

SATTERTHWAITE

493.46E9/10-1251 : Telegram

The Secretary of State to the Embassy in Ceylon

CONFIDENTIAL

WASHINGTON, October 12, 1951—7:38 p. m.

155. Re PriMin Senanayake's recent statement and Ceylon press reports rubber shipment Commie Chi and pt 4 aid. Dept has taken fol line in ans possible questions from press:

(1) US opposed shipment rubber Commie Chi in disregard UN embargo but hopes GOC will stand with other free nations supporting UN res.

(2) US has no objection sale rubber free market which does not contravene UN embargo. US took every opportunity make above points GOC.

(3) Applicability Kem Amendment Ceylon matter for decision by NSC. Pt 4 only assistance being extended Ceylon. No experts now in Ceylon. Except for few Ceylonese training awards made months ago no aid being extended Ceylon.

ACHESON

493.46E9/11-551 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET

WASHINGTON, November 7, 1951—4:01 p. m.

185. In view indication Ceylon may attempt make further rubber shipments Commie Chi, Embtel 304 Nov 5¹ either as straight commercial transactions or by rice rubber barter, it is important go on record as expressing contd US displeasure on same grounds as before.

Manner of registering above views left ur discretion. It may possibly be desirable first discuss matter with Jayewardene, informing him necessary go on record and asking his informal advice how best accomplish this without unduly embarrassing or antagonizing govt. If he offers transmit ur views, such conversation will suffice for record.

Amb Satterthwaite concurs.

WEBB

¹ Telegram 304 from Colombo, November 5, not printed, reported in part on an article in the *Times of Ceylon* for November 5 which stated that Communist Chinese officials had offered to send a delegation to Ceylon to discuss the bartering of rice, coal, and grain for rubber (493.46E9/11-551).

493.46E9/11-1251 : Telegram

The Chargé in Ceylon (Gufler) to the Secretary of State

SECRET

COLOMBO, November 12, 1951—5 p. m.

315. Deptel 185, Nov 7. US position discussed today with Jayewardene. Jayewardene's initial reaction was that inasmuch as US already taken action to cut aid to Ceylon, what further was there to discuss? He said that while in Washington he had agreed take matter up with PriMin on return but in meantime US had suspended aid so he had not mentioned subj.

After receiving explanation present status Ceylon's request for exemption under Battle bill, Jayewardene agreed convey US position to PriMin and inform Emb of latter's reaction and whether any change likely in GOC position. He expressed personal opinion however it wld be exceedingly difficult for domestic political reasons for PriMin embargo China rubber shipments at least without some substantial *quid pro quo*, e.g. US agreement bulk buy Ceylon rubber. We agreed transmit to Dept any concrete ideas GOC might present this connection.

Question rice from China raised Friday with Min Home Affairs Goonetilleke in discussion re Ceylon rice situation (Embtel 313,

Nov 10).¹ Min stated in view urgency local need and polit implications, GOC wld "take rice from devil himself".

Emb considers improbable GOC will change position re China rubber shipments and that GOC will not hesitate barter rubber for Chi rice if conditions favorable and other suppliers unable fulfill requirements.

Emb suggests position toward Ceylon under Battle bill be taken on above assumptions and believes there is little to be gained by further discussions.

GUFLEER

¹Telegram 313 from Colombo, November 10, not printed, reported that the Government of Ceylon had on November 9 telegraphed the Ceylonese Embassy in Washington authorizing the purchase of 18,000 tons of U.S. rice. Nine thousand tons were needed in Colombo by January 12, 1952, and the balance by January 20 at the latest. Rice from present stocks and expected arrivals would be completely exhausted by January 12. The Government of Ceylon also raised the possibility of a loan of rice from purchases which the Japan Logistics Command was making in Bangkok. (846E.2317/11-1051) The Japan Logistics Command was an Army procurement agency under the Commander in Chief, Far East, for meeting military and relief requirements in Korea from non-U.S. sources.

846E.2395/11-1451

*Memorandum of Conversation, by Miss Mildred M. Yenchius of the
Office of South Asian Affairs*

CONFIDENTIAL

[WASHINGTON,] November 14, 1951.

Subject: Possibility of US-Ceylon Rubber Agreement; Rubber Shipments to Communist China; Procurement of Rice for Ceylon

Participants: Mr. G. C. S. Corea, Ambassador of Ceylon
Mr. George C. McGhee, Assistant Secretary
SOA—Mr. Weil
Mr. Fluker
Miss Yenchius

Problem:

1. Possibility of a US-Ceylon rubber agreement.
2. Procurement of rice for Ceylon.

Action Required:

1. To investigate the desirability of taking further action with respect to a rubber purchase agreement with Ceylon.
2. To investigate the possibility of a loan of rice from JLC purchases in Bangkok. To assist the Embassy of Ceylon in purchasing rice in the US and obtaining shipping space for it.

Action Assigned to:

SOA/E

Ambassador Corea came in at his request prior to his departure on November 15 for the FAO meeting at Rome. He referred to the rubber shipment to Communist China, saying there were no further shipments under way and that Mr. de Soysa, principal Ceylon rubber shipper, had promised to make no further sales. The Government of Ceylon hoped there would be no further shipments, but without an embargo on its part, which it did not feel it could impose, there was no guarantee of stoppage. He wondered therefore whether this might not be a good time to pursue more actively the question of the US-Ceylon rubber agreement broached last summer, in order to enable the Government of Ceylon to establish a position. (He had stated in a previous conversation with SOA officers that he was bringing up the subject of rubber on his own initiative, and not under instructions of his Government.)

Mr. McGhee replied that we did not want the Government of Ceylon to take any steps embarrassing to it, but that we very much wanted shipments to stop. If the Government of Ceylon really wanted to stop further sales, given the cooperation of large shippers, it seemed to him that it could do so. The question of a rubber purchase contract was one that would have to be examined on its own merits, however, and could not be linked with that of rubber shipments to Communist China. It would put us in an impossible position to have to buy everything in the world to keep it from the common enemy. No consideration, he said, had been given to preemptive purchasing of rubber, and no raw material was protected by a long term contract. Mr. Fluker added that we had hoped for an arrangement that would establish a flow of rubber to the US through regular commercial channels. The terms were tentatively about forty per cent of production at market price on an 18 month basis. The discussions fell apart because of unfavorable publicity in Ceylon, making it impossible for the US to send a representative there to discuss a contract with the Government of Ceylon. The question now remained as to what alternative procedures of negotiation or discussion the Government of Ceylon wished to suggest. The Ambassador replied that his Government still preferred having a representative go to Ceylon. Mr. Fluker mentioned there was another consideration now—there had been a new type of publicity which would probably tie any discussions to the matter of the shipment to China. Mr. McGhee said we would give every thought to a contract, but it must be kept separate from the China shipment.

The Ambassador then referred to his country's urgent need for rice, and said he was trying to purchase some rice in the US. In the meantime, however, his Government wanted him to try to arrange a

loan of rice in Bangkok from stocks belonging to the Japan Logistics Command. Mr. McGhee replied that we were working on it and would do everything we could, since we understood that Ceylon was dependent on imports of rice. He mentioned that the rubber sale had no influence on the question of rice as we did not barter human beings, and then related an incident in which a small country, Iceland, wished to receive a *quid pro quo* from the US in exchange for something the US wanted. It was pointed out that a small country did not have very much to offer and therefore was bound to be the loser in any arrangement of barter, item by item, with a large country. Therefore, over a period of time Ceylon would certainly benefit much more from cooperation with us than it would by taking a step which is not only uncooperative but unfriendly, in order to obtain a small temporary gain.

The Ambassador remarked that there seemed to be a misunderstanding of the real situation in Ceylon. All of Ceylon's actions hitherto had proved that it was not unfriendly. However its domestic political situation required that it not forbid the sale of rubber to Communist China, and the US should allow some latitude for that internal situation. The Government would suffer seriously if it placed an embargo in effect. He remarked with some emotion upon the fact that exceptions under the Battle Act had been granted other countries trading with the enemy, referring particularly to the sale of jute by India to China, and said it was very difficult for Ceylon to understand why other countries could send materials continuously to the satellites and get exceptions, yet when only one shipment of rubber leaves Ceylon, Ceylon could not get an exception.¹

Mr. McGhee replied that our analysis of the political situation in Ceylon resulted in the conclusion that the sale of rubber to China was not necessary for the survival of the Government, and that politically the Government could stop shipment if it wanted to. As for suffering, we have had to suffer by raising taxes and sending more soldiers to Korea. It was a great disappointment to us that Ceylon, which we had thought one of our best friends, had been the worst offender in this matter. India, with its neutralist tendencies, had seen fit to go along with UN action by embargoing the movement to China of certain strategic materials. As for jute, there was a traditional movement of trade. There had been no traditional movement in the case of Ceylon, and the country itself did not benefit from the sale, the entire transaction being a case of sheer greed on the part of one man who compromised the entire country in the eyes of the world. We could see no justification for this very unusual shipment in spite of all the explanations given.

¹ No formal decision on an exemption for Ceylon under the Battle Act was made by the end of 1951, and consideration of the matter continued into 1952.

The Ambassador then asked what the situation would be if Ceylon obtained rice from China. Mr. McGhee replied that if it were not possible for Ceylon to obtain rice elsewhere, there might possibly be some reason for trade with China.

Ambassador Corea then brought up the matter of Ceylon's sacrifice on rubber prices during World War II. He summed up the picture on the China sale by stating that there was no desire to help communism in China. The Government considered it would be more dangerous to weaken its position in Ceylon than to allow a few thousand tons of rubber to go to Communist China. Someone in Ceylon got the bright idea of making a few rupees by selling to China. The Government, not wanting to weaken itself, made no effort to interfere.

The conversation then reverted to rice and the question of shipping space for it. The Ambassador said he would go ahead with purchases in the US, having received Mr. McGhee's assurances the Department would do everything it could to assist.²

² In telegram 202 to Colombo, November 17, not printed, the Department of State summarized the above conversation and added the following: "Dept assisting by approach to JLC mission for advancing 18,000 tons from Asian supplies under negot for prompt delivery Ceylon, to be repaid by shipments US rice to be purchased by Ceylon. Alternative possibility being investigated is advance from Japan-bought supplies on same basis. Also looking into possibility shipping assistance for US rice. Direct shipment US rice still possible but timely deliveries (Embtel 313 Nov 10) [not printed, but see footnote 1, p. 2075] more likely be assured by one of loan arrangements. You may your discretion pass on to GOC info re rice request." (846E.2317/11-1051)

746E.5/12-1251

The Acting Secretary of Defense (Foster) to the Secretary of State

TOP SECRET

WASHINGTON, 12 December 1951.

DEAR MR. SECRETARY: I refer to the Department of State letter of September 28, 1951, from Assistant Secretary George C. McGhee with reference to the Government of Ceylon indication that possibly the United States may wish to establish certain types of bases in Ceylon.

The Joint Chiefs of Staff have noted that an informal proposal has been made by officials of the Ceylon Government that the United States establish and operate in Ceylon:

- a. One or two bomber squadrons with supporting fighter craft
- b. A small fleet of coastal craft possibly including submarines
- c. Island-wide radar coverage

For the immediate future, the Joint Chiefs of Staff do not consider Ceylon to be in an area of primary military interest to the United States, since in current military planning this area is considered to be the responsibility of the United Kingdom which has a defense

agreement with Ceylon. The Joint Chiefs of Staff consider that present U.S. military commitments in other areas of higher priority would preclude the deployment of the specific U.S. military forces in Ceylon proposed by the Ceylon Governmental officials. However, U.S. military requirements in Ceylon are currently being restudied and certain other requirements may develop in the foreseeable future.

The Joint Chiefs of Staff consider that Ceylon is of strategic importance to the Western Powers in general, owing to its location on the communications routes between the Middle East and the Far East. They would hope, therefore, that such steps as are practicable be taken now to insure the alignment of Ceylon with the Western Powers so that the latter may be assured of such use of the area as may be necessary.

In view of the existence of the United Kingdom-Ceylon defense agreement, it is recommended that the Department of State approach the British Government and discuss the apparent apprehension of the Ceylon Government over its security problems, and review with the British Government actions which may be necessary on the part of Britain and the United States to retain the alignment of Ceylon with the West. Pursuant to such review, the opinion of the State is requested as to what action, on the part of the Department of Defense, might contribute to attaining the objectives stated above.

In this connection, I wish to say that the Joint Chiefs of Staff are prepared to express now, predicated on the continued build-up of the U.S. military capability, a military interest for certain bases and facilities in Ceylon in the foreseeable future, the nature and scope of which cannot at this time be determined.

There was forwarded to you on 19 May 1949 a study entitled, "U.S. Requirements for Military Rights in Foreign Territories",¹ and later several changes thereto. It is requested that further action by the Department of State, incident to obtaining rights in Ceylon necessary for fulfillment of these requirements, should be held in abeyance pending results of the exploratory conversations at the diplomatic level as recommended above. During the interim, if the Services should develop a specific requirement in Ceylon which is of pressing importance, I will bring the matter to your attention with appropriate recommendation.

Sincerely yours,

WILLIAM C. FOSTER

¹ For text, see *Foreign Relations*, 1949, vol. I, p. 302.

493.46E9/12-1551 : Telegram

The Chargé in Ceylon (Gufler) to the Secretary of State

COLOMBO, December 15, 1951.

382. Today's *Daily News* carried front page feature article headlined better price for rubber sought alternative to stop export to China which reported in part GOC has asked US guarantee purchase rubber at better price for reasonable period in order maintain stability Ceylon economy. Ceylon has told us latter should provide alternate form help if Ceylon to overlook recent Red China offers sell rice in exchange for rubber. Top level discussions now being carried on between US and GOC re this matter particularly regarding immediate problems correcting downward price trend.

According government sources China prepared sell Ceylon high quality rice at rates cheaper than now paid and in addition China will buy Ceylon rubber at above world market prices. Ceylon contends if she foregoes these opportunities US should review rubber market so Ceylon may not suffer losses which would severely affect country's purchasing power. Ceylon's food bill requires allocation considerable revenue and unless world markets favourable for her three main products food requirements will use disproportionately large amount revenues. If US agrees buy Ceylon rubber at better price and Ceylon undertakes not sell rubber to Red China then Point Four aid will be automatically restored.

Dept pass London, sent Dept 382, rptd info London 129.

GUFLER

493.46E9/12-1551 : Telegram

The Chargé in Ceylon (Gufler) to the Secretary of State

SECRET

COLOMBO, December 15, 1951—noon.

383. Embtel 382, Dec 15. Emb expressed grave concern to Perm Sec MEA over leak re rubber contract and pointed out original discussions had been suspended as result similar leak. Perm Sec first said story possibly originated with Min Home Affairs who had divulged it without ulterior motive and only in effort be congenial to press. Later Perm Sec expressed view article contained nothing new and story cld have been developed by any good newspaperman as logical sequence to previously published Reuter despatch (Embtel 374, Dec 12).¹

Emb rep pointed out Reuter desp did not mention rubber agrmt and today's article just factual enough to indicate story had GOC

¹ Not printed.

source. Perm Sec agreed publication such arts definitely creates atmosphere unfavorable to negotiating agrmt type contemplated.

Emb recommends US take no further initiative re rubber agrmt and await any proposals GOC may care present. Evidence continues mount re GOC anxiety over dollar position (Embtel 347, Nov 28)² for which rubber agrmt possible solution. Emb considers because of dollar factor, agrmt definitely more value GOC now than when originally proposed and that pressure from MinFin may ultimately force me take more interest.

Emb has seen little evidence unfriendliness in official circles or on part public toward US as result suspension Point Four assistance altho press has consistently presented situation to our disadvantage. As matter fact Emb considers if Point Four aid were resumed limited Ceylon program possibly might create more disappointment than was caused by program suspension.

GUFLER

² Not printed.

711.56346E/12-2151

Memorandum of Conversation, by the Officer in Charge of India, Nepal, and Ceylon Affairs (Witman)

TOP SECRET

[WASHINGTON,] December 21, 1951.

Subject: Ceylon Proposal for US Military Installations in Ceylon

Participants: Mr. R. H. Belcher, First Secretary, British Embassy
SOA—Mr. Witman

On the Advice of Ambassador Satterthwaite and Mr. Kennedy, Mr. Witman mentioned to Mr. Belcher that a high official of the Government of Ceylon had sounded out informally representatives of the US Embassy at Colombo several months ago regarding the possibility of the US establishing and operating in Ceylon certain defense installations including one or two bomber squadrons with supporting fighter aircraft, a small fleet of coastal craft possibly including submarines, and island-wide radar coverage. It was pointed out to Mr. Belcher that this suggestion had been discussed in the Ceylon Cabinet, but was not presented to our Ambassador as a Cabinet proposal.

Mr. Witman outlined for Mr. Belcher the substance of the pertinent parts of the Defense Department's letter of December 12, 1951,¹ indicating some interest in the proposal, and stressing the US view that the UK has primary military responsibility in Ceylon because of its

¹ *Ante*, p. 2078.

defence agreement with that country. Mr. Belcher undertook informally to sound out his Government on the above matter.²

² Copies of the Defense Department letter of December 12 and of the above memorandum were sent for information to the Embassies in London and Colombo on January 3, 1952, with the understanding that no action was being requested at this time (746E.5/12-1251).

Colombo Embassy Files

*Memorandum by the First Secretary of Embassy in Ceylon (Black)
to the Chargé in Ceylon (Gufler)*

CONFIDENTIAL

[COLOMBO,] December 21, 1951.

Subject: Conversations re Rubber Agreement

Last night at a large party Sir Oliver Goonetilleke buttonholed me and told me with a very long face that "Ceylon is in trouble" and that he is gravely concerned. He went on to say that the reports which the Ceylon Government had received from Burma were sufficiently disquieting to make Ceylon very apprehensive over the future of her rice supplies. Sir Oliver then proceeded to tell me that the Minister of Food had told him of the very great assistance which our Government had been in arranging the rice loan from Japan and expressed his appreciation for our having taken an interest in this matter.

Just when I thought the conversation had ended, Sir Oliver said, "Didn't N. U. Jayawardena¹ tell you that I wanted him to bring you over to talk to me about a rubber purchase agreement?". As a matter of fact, Jayawardena had mentioned it, but I told him at the time that there was no use anyone talking to me further; that, in my opinion, the matter had been discussed on an informal basis long enough, and that all the Ceylon Government had to do was to take the initiative in the matter and instruct Ambassador Corea to inform the Department of State that the Ceylon Government is interested in resuming discussions with respect to an agreement. I reviewed briefly the background of the situation and told Sir Oliver that my personal impression was that in recent conversations with Ambassador Corea, the State Department had left the door open for a resumption of discussions. I emphasized, however, that the procedure which had been suggested by the Ceylon Government, i.e., that the United States send a negotiator to Ceylon to discuss an agreement with the trade, definitely, was not acceptable and that it would be necessary for the Ceylon Government to suggest an alternate procedure or at least to indicate to the State Department that it would be willing to consider such other procedures as the Department might have in mind. Sir Oliver

¹ Deputy Governor of the Bank of Ceylon.

said that he was in complete accord and remarked that "Obviously the negotiations would have to be between the two Governments".

Sir Oliver then asked me what *quid pro quo* the United States would require in return for a rubber purchase agreement. I said that so far as I knew no *quid pro quo* was involved and that our willingness to discuss an agreement had resulted from urgent requests made last summer by high Ceylon officials, including himself, for the United States to "do something for Ceylon rubber" and was motivated solely by our desire to show Ceylon that we were not wholly disinterested in her problems. Sir Oliver asked whether it would not be to our advantage to have an assured source of supply of rubber "from the only producing country that is not in danger". I said my personal view was that it wouldn't make much difference because the agreement would be on a market price basis and we would, in any event, have to compete price-wise for any rubber which we might buy.

Sir Oliver then raised the question about rubber shipments to China. I ventured the purely personal opinion that, although the Department of State had very carefully emphasized to Ambassador Corea that there was no connection whatsoever between the proposed rubber agreement and Ceylon shipments to China, it was wholly unrealistic to suppose that an agreement would be finalized unless we were convinced that no further rubber shipments to China would be made. I emphasized most strongly, however, that we would not under any circumstances allow ourselves to be jockeyed into the position of appearing to buy Ceylon off in any way whatsoever.

Sir Oliver then asked me whether we would have any objection to his discussing the matter with the Prime Minister, as he would like to have the opportunity to "prepare the Prime Minister's mind" before the Minister of Finance and the Central Bank officials "got to him". I replied that this was a strange question to ask and pointed out that it was completely up to him with whom he discussed the matter. I repeated, however, that in so far as we were concerned, the whole matter had been on an informal plane long enough and that, in my opinion, there could be no further step forward until the Ceylon Government took action to begin discussions on an official basis.

In concluding I couldn't resist mentioning to Sir Oliver that the initial conversations last summer had been suspended as the result of a leak to the press, and that the Embassy considered it most unfortunate that someone should have talked on this occasion as well. Sir Oliver agreed that it was most unfortunate, and with a very innocent expression (which is not easy for him to achieve), remarked that "N. U. Jayawardena must have mentioned something to a reporter".

This morning Raju Coomaraswamy told me that the Minister of Finance had already discussed the question of a rubber agreement with the Prime Minister. The latter's initial reaction was that "he was always ready for negotiations of this kind", but inasmuch as Ambassador Satterthwaite was in Washington, and presumably would have the latest views of the Department on the situation, it might be well to await his return to Ceylon. Subsequently, however, the Minister of Finance sent a memorandum to the Prime Minister recalling their conversation and pointing out that Ambassador Satterthwaite would not be back in Ceylon until after the middle of January. In view of the fact that the Minister of Finance is leaving for London early in January for the Meeting of the Commonwealth Finance Ministers,² the memorandum urged that discussions with the United States be commenced immediately on an official basis.

Both Coomaraswamy and John Exter confirmed that both the Ministry of Finance and the Central Bank are still seriously worried over the weakening Ceylon dollar position and that the improved trade balance with the United States for November had not relieved this worry to any degree.

I believe that the Minister of Finance is extremely anxious to have some assurance of a steady dollar supply before he goes to London. Failing this, he would hardly be in a position to maintain an independent attitude toward the sterling bloc. He has always been very proud of the fact that he could be so independent, and I think that it would be a great blow to him if he had to take a less strong position at this meeting. Sir Oliver also maintained the same independent position vis-à-vis the United Kingdom Government when he was High Commissioner in London, and I think that his support has been enlisted on that account. In addition, I understand that Mr. Ratnayake, Minister of Food and Co-operative Undertakings, has also been brought into the picture. The Ministry of Food has a legitimate interest as it may require a substantial quantity of dollars for its rice purchases for the coming year.

It would appear, therefore, that there is substantial evidence of a strong Ceylon Government interest in concluding a rubber agreement with us, and that there was little justification for Sir Kanthiah Vaithianathan's rather indifferent attitude and his contention that the matter was one of primary interest to the trade.

²The conference of Commonwealth Finance Ministers was held in London from January 15 to 21, 1952, under the chairmanship of Mr. R. A. Butler, Chancellor of the Exchequer.

INDIA

UNITED STATES AID TO INDIA UNDER THE INDIA EMERGENCY ASSISTANCE ACT OF 1951; UNITED STATES INTEREST IN THE POSITION OF INDIA IN THE EAST-WEST CONFLICT¹

891.231/1-1551

Memorandum by Mr. J. Robert Fluker of the Office of South Asian Affairs

SECRET

[WASHINGTON,] January 15, 1951.

THE INDIAN FOOD CRISIS

India is confronted with a new food crisis of alarming proportions. This crisis is a result of unprecedented disasters which have aggravated India's already precarious food situation.

The northeast monsoon, which normally brings the rainfall needed for the rice paddies in Madras State, failed for the fourth consecutive year. The last hopes for a good harvest in Bihar vanished recently when practically no rain fell on the almost mature rice. In this time when India desperately needed good crops calamity followed calamity. Earthquakes in Assam, floods in the Punjab and visitations of locust in Rajputana compounded the devastation of India's stored food-grains and standing crops.

The political opposition, particularly with the Communists, are exploiting the situation, charging the Government with indifference to the peasant's lot. The Communists have had considerable success in organizing the rural areas into autonomous districts from which Government officials have been excluded by force.

In attempting to take all measures to counteract this opposition the Government of India planned to reduce ration requirements to 6.5 million tons and to supply all but 1.5 million tons from domestic procurement. With the rice crop short by some 4 million tons, however, imports must be increased. The Government of India originally planned to meet the situation with imports of 4 million tons of food-grains. At this writing India is procuring 2.7 million tons of food-grains through purchase abroad. India is also in the process of pro-

¹ For previous documentation, see *Foreign Relations*, 1950, vol. v, pp. 1461 ff. For related material herein, see pp. 1650 ff. and pp. 1699 ff., respectively.

curing an additional 1.3 million tons of foodgrains by purchase on the open market and by additional allocation under the International Wheat Agreement.

The Government of India, however, has been unable to finance the procurement of the additional 2 million tons (74 million bushels) and on December 16th Madame Pandit² officially appealed to the Secretary of State for United States aid in financing the additional 2 million tons.³ It is the Department's position that the alleviation of the Indian food problem is a necessity. In view of the fact that the Government stocks of foodgrains are rapidly dwindling and of the need for containing Communist Imperialism, it is felt that India must be aided in this time of crisis which strikes at the very existence of people in India and the present Government of India.

The Department of Agriculture has informally estimated that the quantities of wheat available for export in the first half of 1951 will far exceed the 2 million tons requested by the Government of India. The Department's investigation into the availability of shipping or transport of the desired tonnage indicated that transportation will be available by mid-March.

The exact method of financing this request has been under investigation by the Department in collaboration with ECA. Following discussions with the Department of Agriculture and the Department of Commerce, the cost of supplying 2 million tons of foodgrains to the Government of India was estimated at \$214 million, including \$180 million for the purchase of grain and \$34 million for delivery to India.

The root of India's overall food program, without the additional requirements posed by the recent disasters, lies in the static production practices and low yields per acre due to the inadequacy of knowledge, incentive and material means. The Government of India's "Grow-More-Food" program is intended to mitigate its food problem by means of land reclamation, extension services, irrigation projects and the like. In support of this aim the Department has developed a tentative South Asian program. This tentative program proposes the expenditure of some \$120 million in fiscal 1952 on an improved seed

² Vijaya Lakshmi Pandit, Indian Ambassador.

³ A memorandum of conversation with Madame Pandit by Secretary Acheson on December 16, 1950, not printed, read in part as follows:

"I told Madame Pandit of our awareness of the situation and of our sympathy for her Government in its difficulty. I mentioned that the figure required was very large, especially in time of great demand like the present, and stated that acceding to her request would require going to Congress for funds to which Madame Pandit agreed. I told her, however, that we desired to be helpful and would explore the situation urgently and thoroughly, examining the total supplies needed and the anticipated source of these supplies, as well as the provisions to prevent a recurrence in the future of such a demand which I understood to be of a non-repetitive nature." (891.03/12-1650)

program, land reclamation, steel modernization, etc., which will aid India in achieving self-sufficiency and will enable India to make a substantial contribution to the United States' efforts in the event of an all out war.

Earlier discussions with the ECA developed the possibilities of integrating a cross-section of the Aid Program for fiscal 1952 with the emergency relief involved in supplying the requirement for 2 million tons of foodgrains.

891.231/1-2051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, January 20, 1951—4 p. m.

1769. 1. Although GOI has been encountering some difficulties in obtaining for our use "conclusive" or final official figures re food losses and shortages, we are convinced from such figures as it has now been able furnish and from our own investigations and studies that need India for at least two million additional tons food grain from US is serious and that there is grave danger that failure on part US materially to assist in overcoming India's food shortage will have grave political and economic consequences in South Asia.

2. In our considered opinion GOI during calendar year 1951 should have these two million tons food grain from abroad in addition to the 3.7 million tons it has already bought or is in position buy if it is to meet food shortage crisis and maintain public confidence in its ability supply sufficient food meet rationing demands in deficit areas.

3. According to letter received from Munshi,¹ Food Agriculture Minister, dated January 18 results crop cutting tests in Assam, Bihar, Bombay, Madhya Pradesh, Uttar Pradesh, and West Bengal indicate that as result natural calamities rice crop for 51 will be 12,150,000 tons as against 14,990,000 tons in 50. In rest India 51 production will be 7,903,000 tons as against 7,784,000 tons in 50. Therefore crop cutting tests indicate shortfall 2.72 million tons rice as compared with 50 which was itself not good year.

Crop cutting tests re millets will not be available until March. Munshi states latest estimates show millet crop 51 will be less by 2.75 million than 50.

5. Results wheat crop cutting tests will be available only in May. Munshi states present outlook is 51 crop will be about same as 50.

6. Therefore Minister Food Agriculture estimates 51 food grain production will be 5.47 million tons less than 50.

¹ Kaniyalal Maneklal Munshi, Indian Minister of Food and Agriculture.

7. In 50 imports of only 2.2 million tons made it necessary deplete distribution pipeline and already meager reserves by 900,000 tons. Amounts in pipeline and reserves now dangerously low and this 900,000 tons should be restored during 51. As of January 1, 1951 only 700,000 tons in pipeline and reserves, whereas there should be at least 1.6 million tons. This particularly important view shipping uncertainties and increase volume rationing.

8. Even if requested 2 million tons made available, all people India unable to eat in 51 as they ate in 50. This would require imports 9.47 million tons in 51. This figure reached by adding following: decline production 5.47 million tons; amount actually imported 2.2 million; amount taken out of pipeline in 50—900,000; and amount needed replenish pipeline 51—900,000 (this does not take population increase into consideration). But even if India could import 9.47 million tons it would be impossible to distribute all of it in such manner as to enable all Indians eat as they ate in 50. Many farmers for instance who have suffered crop losses will eat less in 51. Furthermore, problems internal transport would prevent distribution all points where losses occurred. Question is what extent India can safely absorb production decreases by eating less. This question might be tentatively answered by examination GOI figures as what it hopes do through rationing to relieve situation and what it hopes achieve in procurements despite crop losses.

9. In order meet rationing needs GOI estimates it must have 9 million tons in 51 (as compared with 7.6 in 50) and another 900,000 tons to meet pipeline needs. Toward obtaining this 9.9 million tons it hopes procure locally from 3 to 4 million tons (as compared with 4.4 million tons in 50). This means that India must import from 5.9 to 6.9 million tons in 51 to meet estimated requirements rationing system. GOI has foreign exchange funds available only to purchase 3.7 million tons. It must be able obtain therefore on exceptional terms (probably grants or equivalent) from 2.2 to 3.2 million tons additional food grain.

10. Difficult for us precisely assess GOI estimates. Since they deal with such huge quantities of food grain production (more than 45 million tons) and with such tremendous population there are of course wide margins of error. We believe their revised figures are sincerely prepared and not puffed up for purposes of obtaining our aid. Nevertheless there is possibility some figures will need further revision. For instance, amount estimated for rationing may be larger by several hundred thousand tons than amount will actually be rationed. On other hand bad weather or faulty organization may reduce estimated procurements. In any event we agree that additional two million tons from US urgently needed.

11. We also believe if Department contemplates recommending Congressional grant to India two million tons food grain during 51, important for political and economic reasons that action be taken at earliest possible date. Early assurances that US will give this aid will serve to quiet fears which in some areas is almost of panic proportions and to promote internal political and economic stability. Such assurances will also discourage potential borders and slow down tendencies towards price increases, blackmarketing, etc. Furthermore procrastination of character which might give impression we are approaching problem in calculating or haggling spirit will tend diminish generosity our decision and prevent grant from having impact on Indian public as beneficial to US as prompt and ungrudging action would be.

12. Realize that attitude currently assumed by Nehru² re Far East situation not conducive to receptive atmosphere in US and particularly in Congress for recommendations large gift food grain to India. Nevertheless our failure respond to Indian request generously and promptly will add grist to mill those elements unfriendly to US and will weaken those leaders and groups who continue insist close political and economic relations between US and India would be in interests both countries and strengthen chances survival free world.

13. In our opinion consideration of food grain grant should be kept quite separate from consideration any kind of economic aid program for India and be given first priority. If one of these must be abandoned it would be preferable retain food grant. We hope that both forms of aid can be rendered. Food grain grant will be helpful in increasing receptivity in India for general economic aid program. On other hand dropping of food project or endeavor merge it in curtailed form into general economic aid program might well dampen enthusiasm of Indian public for latter. No general economic aid program of similar magnitude likely have appeal to Indian public that would equal food grant. On other hand we consider it important that terms any grant food grain shall include stipulations re effective use counterpart funds. If for instance we decide also recommend to Congress economic aid program to South Asia, including India, provisions might be inserted in grant obligating GOI use counterpart funds from grain grant to cover rupee expenses of projects included in program. Question remains whether Congress would be willing approve dollar aid program of sufficient magnitude to permit effective utilization of large volume counterpart funds derived from two million tons grain grant.

² Jawaharlal Nehru, Indian Prime Minister and Minister of External Affairs.

14. We also believe that if in making recommendations to Congress, Department stresses this grant not of recurring nature but made because of unusual natural calamities which afflicted India in 50, and if we stress to Indian public and officials nonrecurrent aspect such grant, we need not be unduly embarrassed by demand for repetition 1952.

HENDERSON

891.03/1-2451 : Telegram

The Secretary of State to the Embassy in India

SECRET

WASHINGTON, January 24, 1951—8 p. m.

1147. Urgently need all available convincing material re humanitarian side probable effects India food emergency for possible presentation Cong. Pls airmail priority any graphic material distressed areas present or past including revealing photographs, etc. Also need Emb best estimates probable deaths, other suffering, reduced natl and local caloric intake, short-run and long-run effects, if emergency requirement not met. Psychological and polit effects. Some indication localization effects food deficiency.

ACHESON

891.03/1-2751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, January 27, 1951—6 p. m.

1843. 1. At his request, I saw this morning Minister¹ who is one of our firmest friends in US Cabinet. He said he deeply disturbed at PTI-Renters story published in today's press indicating present foreign policy GOI might adversely affect US attitude re granting GOI request for two million tons food grain. Article in question stated Senator Connally² of Senate Foreign Relations Committee had hinted Committee "would take its time in acting on India's request" and added State Department was understood to feel that US had grain available and that India was in need of it. Minister said he and several other Ministers were distressed at foreign policy at present being pursued by Nehru, but that they sincerely hoped US would not permit these foreign policies stand in way speedy favorable action on India's request for food grain. Failure to take such action would almost automatically destroy position of friends of US in India; he himself

¹ Not identified further but possibly Chakravarti Rajagopalachari, Indian Home Minister, whom Henderson described as "after Nehru most influential member Cab and reputedly leader of pro-Amer group in Cab" (telegram 2804 from New Delhi, April 12, p. 2142).

² Senator Tom Connally of Texas.

might be compelled leave Cabinet; and for long time to come few Indian leaders would dare lift their voices in support of US or in defense US policies. It would be possible for enemies of US to rally around them most of remaining free peoples by concentrating on propaganda that US willing cold-bloodedly allow peoples in India starve merely because it did not like foreign policy Prime Minister. He begged me send telegram Washington outlining situation State Department and pointing out it was more important now than ever before for US come to India's aid with food. He said Prime Minister would, in his opinion, be "abashed" if in spite of his foreign policy US should give India food grain so badly needed.

2. I asked if I was to infer from last statement that Prime Minister would be relieved if US should fail give India food requested. He replied negative. Said Nehru not so insincere as to approve request for food grain if he had not wished request granted. Nehru realized that if this food was not forthcoming, there would be wide suffering in India, did not wish this. Nevertheless, Nehru would not permit himself to be deflected from foreign policies which he was pursuing merely in order assure favorable vote in US Congress on food grain for India. There was no one in India, in his opinion, except Communists and fellow-travelers who did not want US give this food grain.

HENDERSON

791.13/1-2751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET NIACT

NEW DELHI, January 27, 1951—7 p. m.

1844. Please no circulation except Department as indicated by McGhee of NEA.

1. Minister referred to in Embtel 1843 January 27 has recently exchanged letters with you.¹ During our today's talk he spoke with great bitterness of way in which UK and Canada had "exploited" Nehru. Said at London² they had flattered him into believing he was only living statesman who could carry banner for those seeking world peace. They were not in position resist US demands for action in UN which would lead to war for which they (particularly UK) were not prepared. Officers UK General Staff had been brought in to prove US policies if carried out would bring disaster both to Asia and Europe. These officers said they did not have soldiers or equipment to fight war and in any event war not necessary. Now after Nehru had gone out and waved his banner UK and Canada were not

¹ Not found in Department of State files.

² The conference of British Commonwealth Prime Ministers, which Nehru attended, was held in London from January 4 through 15.

standing behind him. Pearson³ for instance was apparently stating Canada would support resolution branding Peiping as aggressor and UK would probably follow suit. Nehru would likely have trouble holding together his Asian bloc which had been formed with aid UK. Minister went on at some length to tell me what Nehru had said at recent cabinet meeting re Commonwealth conference.

2. I asked Minister re role Indian HICOM in London.⁴ Minister said this official's activities and influence venomous but most effective enemy US so far as Nehru was concerned was still Mountbatten.⁵

HENDERSON

³ Lester B. Pearson, Canadian Secretary of State for External Affairs.

⁴ V. K. Krishna Menon.

⁵ Lord Mountbatten had been Viceroy of India, March-August 1947, and Governor-General of the Dominion of India, August 1947-June 1948. Since 1950 he had been Lord Commissioner of the British Admiralty, Fourth Sea Lord, and Chief of Supplies and Transport.

S91.231/1-2851 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, January 28, 1951—noon.

1849. 1. We assume recent Indian pronouncement and actions re Korea have raised doubts in both executive and legislative branches of our government re advisability endeavoring effect favorable action on Indian request 2,000,000 tons food grain. Questions probably being asked: why should we give food grain to those who appear defending, at least excusing, action aggressors engaged in killing American soldiers? Would not it be better give them to our needy friends various other parts of world? What advantage to US to give food grains to country which seems be working against us international field? Are we not strengthening hands those opposed to us in India by making gifts this kind et cetera?

2. We unable of course to judge advisability from point view of problem in US of proceeding with project granting GOI request. From Delhi viewpoint we are of opinion that leaving aside humanitarian and economic considerations it is more important now for political reasons that we proceed than it was at time request was submitted. Furnishing this food in face of present uncooperative attitude GOI would, particularly if done generously and ungrudgingly, provide definite answer to charges made constantly by forces in Asia hostile to US that we use our economic power merely to forward our international policies and have no genuine interest in welfare of Asian peoples. Our numerous friends in India who are dejected just now

would be encouraged; and in uncertain years ahead they and we could produce concrete evidence of our friendship for Indian people. Surprising what effect relatively small gift of Red Cross medicines and blankets has had in stricken areas. Every family given blanket knows it was gift of US people and feels glow friendship. Failure to furnish food grain promptly would be exploited in full by our enemies. Their slogans would be along following lines: "US withholds food from starving Indians in order force India to toe its line"; "US vents resentment against Nehru by permitting millions Indians to starve"; "hypocrisy of US pronouncement of interest in welfare Asian peoples revealed" et cetera.

Our friends in India would be hard put and India would be almost certain, unless internal communism should undertake adventures clearly aimed at its direction, to drift still farther away from us. It seems to us here that in spite of recent Indian attitudes India's friendship in years to come would still be valuable and it would be mistake for us "write India off". Despite unpleasant statements by Indian leaders and generally unfriendly press there remains hard core friendship in India for US which should be cultivated and strengthened.

3. We shall not in this telegram go deeply into economic and humanitarian considerations. We should point out however that we are convinced that India's economic position is such that it cannot afford buy sufficient food grain abroad to meet its vital needs in 1951. We are also convinced that if we do not assist India in obtaining food grains requested by it there will be much suffering as result malnutrition and even starvation.

4. We venture suggest that approach problem should be not so much assistance GOI, although that factor should not be ignored, as aid to Indian people for whom people US have feelings deep friendship and whom people US wish to assist in overcoming crisis brought about by natural calamities. Another factor might be importance to US of stable democratic government and law and order in India.

HENDERSON

791.13/1-2951 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, January 29, 1951—11 a. m.

1850. For McGhee NEA. Our comment on statements of Cabinet Minister outlined Embtel 1844, January 27 follows:

1. We believe Minister who spoke with great feeling quite sincere. His remarks apparently based on statements made by Nehru at Cabi-

net meeting and during private conversations as well as on his own and rather common knowledge of certain influence exercised over Nehru in British circles.

2. Despite Minister's statements we do not believe that responsible British and Canadian leaders such as Attlee,¹ Bevin,² Pearson have been guilty of cynical duplicity. They undoubtedly have expressed to Nehru their worries and perplexities at US attitude, their unpreparedness for war and desire for peace. We have reason believe that other groups in UK particularly have gone much further in begging Nehru act as banner bearer in free world for "forces of peace". These groups include self-named Liberals who still cling belief that with "fair treatment" international Communism can become loyal ally of "democratic progressive forces of west". These so-called Liberals whose dwindling counterparts still exist in US have long extolled Nehru as leader who can help bridge gulf between international Communism and themselves. These groups also include usual run fellow-travelers for whom Nehru has always had soft heart, anti-American Conservatives who still hope for deal with Soviet Union which while sacrificing other peoples to Soviet appetite would free UK for "American bondage", et cetera. We understand during his travels in France and Italy, Nehru also subjected to flattery of similar groups and to appeals from them to assume leadership. We are informed reliably that in talk before officials MEA following return he said everywhere he went in Western Europe he found peoples deeply frightened at way US was leading world into war but did not feel themselves strong enough without aid of non-European countries to break away from American leadership.

3. We also believe Nehru constitutionally unhappy when he not leading some cause of downtrodden peoples particularly of Asian or colored peoples against real or imagined oppression; that therefore he has been receptive to approaches made to him both while in Europe and prior to visit Europe; and that he has been over anxious interpret these approaches as well as acclaim accorded him in certain sections Europe and US press as reflection feelings of world Liberals and of inarticulate masses of world eager for peace.

HENDERSON

¹ Clement R. Attlee, British Prime Minister.

² Ernest Bevin, British Secretary of State for Foreign Affairs.

S91.03/1-3051

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Secretary of State

TOP SECRET

[WASHINGTON,] January 30, 1951.

Subject: Indian Request for Food Grains

Discussion

Since the Indian Ambassador presented her Government's request for assistance in obtaining 2 million tons of food grains on December 16, the Department has been studying the Indian food grain position and ways and means of meeting the request. We have consulted informally with Treasury, Commerce, Agriculture, ECA, and the Bureau of the Budget.

We find that the extraordinary sequence of floods and droughts which beset India has destroyed crops which would normally have produced in the order of 5 million tons of food grains. We find also that India would face very serious difficulties in financing the purchase of the total 6 million tons of food grains which it must import during 1951 to prevent mass starvation. Our statistics on these aspects of the situation require further refinement, but the foregoing general conclusions are valid.

Our own supply position is such that we can make available during 1951 2 million tons of food grains in addition to the quantities which the Indians intend to acquire in this country under their purchase program. Commerce has stated informally that ocean transport will be available. United States and Indian inland transport and terminal facilities are deemed capable of bearing the added burden.

The cost of 2 million tons of food grains is estimated at \$180 million. Present indications are that few or no funds are available from previously appropriated ECA funds. It will almost certainly be necessary to ask Congress for new money for the Indian food grain program.

The newly appropriated funds should provide at least \$90 million to be used for the procurement of 1 million tons of foodgrains in fiscal 1951, the balance of the request to be subject to review and appropriation of funds which must be available in the first half of fiscal 1952. This approach will permit a final evaluation of: (1) India's addition food grain import requirement on the basis of crop-yields and domestic procurement in the first half of 1951, (2) India's ability to finance further importation of food grains, on the basis of trade

developments in the first half of 1951, (3) our supply position in the light of other requirements which may develop, and (4) the availability of shipping and United States inland transport.

In order that procurement, loading and shipment may begin immediately, the authorizing legislation should also authorize the RFC to make available \$50 million, pending the appropriation of funds for the first 1 million tons.

The aid agreement which will be negotiated with the Government of India for this program, should specify that the aid will generate counterpart funds which will be used for local expenditures involved in Indian programs: (1) to maximize Indian food production, (2) to provide for educational exchanges of the type now carried on under the Fulbright Act, (3) to establish technical and welfare institutes, and (4) to develop health, sanitation and other similar projects for the benefit of the people of India.

In view of the grave impact of the program on the United States economy in general and on grain reserves and the price of grain during this period of crisis in particular, the Government of India must make every effort, in addition to that made possible by United States aid, to alleviate the present problem. In this respect, the agreement should specify that India maximize her effort: (1) to produce more food grains and (2) to increase procurement of food grains from other sources such as Pakistan and the Commonwealth. As an additional point the agreement might also specify that India maximize the production of strategic materials which are urgently needed by the United States.

For the purpose of administering the program, the President should appoint a Personal Representative for Indian Food Aid. Prior to the appropriation of funds for the last half of the program, the President's Personal Representative should report to Congress on fulfillment of the terms of the agreement and should recommend Congressional action in the light of further information on: (1) India's requirements, crop-yields and procurement, and (2) India's ability to finance additional imports, as judged from trends in her balance of payments position in the remainder of fiscal 1951. The President's Personal Representative should also supervise the deposit of counterpart funds, see that the food grains are distributed so as to achieve the maximum benefit for the people of India and see that the program receives full publicity in India.

The Government of India should bear the cost of transportation to India. The United States, however, should assist in making ships available through bareboat chartering or other means.

The Indian request collides with a highly unsatisfactory Indian position on the Far East crisis. We must focus attention on the humanitarian aspect of the Indian request and on the longer-range

aspects of our relations with India. If we do not assist India in its present crisis, elements inimical to the United States and the Western world generally will be strengthened. Our friends will despair of convincing the Indian masses of United States good will toward them and interest in them. If, as is probable, millions die of starvation, we shall find it difficult to live with our own consciences, and our dwindling credit in much of Asia will be further reduced.

If we do assist India, our friends will gain greater influence with the masses and with Nehru and his Government. We could mitigate much of the anti-Western bitterness which enables Nehru to maintain his present posture in foreign affairs. No overnight change can be expected, but the basis for a developing United States-Indian *rapprochement* will have been provided.

We have reached the stage in our examination of the Indian request at which an Executive decision is required. We can continue to compile and study statistics, and review possible legislation and sources of finance indefinitely. What is now needed to give direction to our efforts is a determination that it is in the United States national interest to meet the Indian request, in whole or in part and by such methods of financing as we can devise in consultation with the Congress.

This is the more true as considerable independent interest in this problem has appeared on the Hill. Senator Smith of New Jersey and Representative Javits¹ are attempting with some success to line up bipartisan support for food for India. They and some of their colleagues are becoming increasingly convinced of the necessity of early legislative action.

The Executive cannot longer delay its decision. Food grains from a grant program must begin to move to India by April at the latest if a breakdown of the rationing system and possible starvation is to be averted.

Recommendation

That you sign the attached memorandum to the President² seeking his decision to give Administration support to Congressional action providing for a grant food grain program for India.

Concurrences

E and H have concurred.

¹ Correspondence with Senator H. Alexander Smith and Representative Jacob K. Javits, not printed, is in file 891.2311/1-2451.

² Memorandum to the President dated February 2, p. 2109.

Attachments

Memo to the President

Paper on Economic Considerations

Paper on Political Considerations³

[Annex I]

INDIA'S REQUEST FOR FOODGRAINS: ECONOMIC CONSIDERATIONS

On December 16, 1950, the Government of India officially requested United States aid for the procurement of 2 million tons of foodgrains. In determining the course of action to be taken in response to this request, the Department must consider the factors underlying the request and the ability of the United States to render aid. These factors center about India's need, her capacity to finance an additional 2 million tons, the United States supply situation, the availability of ocean transport, and the availability of inland transport both in the United States and in India.

A—INDIA'S FOODGRAIN REQUIREMENTS

The Government of India's estimate of its foodgrain ration requirements for calendar year 1951 is 9 million tons. In addition to this 9 million tons .9 million tons will be required to replenish the pipeline. The Government of India's estimate of local procurement ranges from 3 to 4 million tons. (For the purposes of this calculation we shall use the figure 3.5 million tons.) The local procurement of 3.5 million tons of foodgrains leaves 6.4 million tons to be procured from abroad.

The Government of India is undertaking to finance 3.9 million tons of imported foodgrains. The Government of India has procured or tentatively arranged for procurement of 3.0 million tons of foodgrains from abroad. An additional .8 to .9 million tons is expected through additional International Wheat Agreement allocation and transfers under the International Wheat Agreement. The 2.5 million tons remaining to be procured abroad would not be covered fully by the proposed grant of 2 million tons.

The principal criticism to be anticipated is that of the vagueness and uncertainty of the Indian statistics relating to their requirements for imports of foodgrains. It is to be recognized, however, that even with a most efficient statistical organization it would be extremely difficult to narrow the range of the figures submitted by the Government of India because of the huge quantities of food and people involved in the calculation. Vagaries of the weather and other un-

³ Papers on economic and political considerations are printed respectively as Annexes I and II, below.

predictable factors connected with natural causes, which would affect domestic production and procurement, require wide ranges of estimate.

An informative comparison can be drawn from the Government of India's figures for rationing requirements for 1951 and the figures developed from India's foodgrain production and requirement.

(1) The latest estimates on the 1951 foodgrain production in India show a decrease of 5.47 million tons from the production of foodgrains in 1950.

Rice production for 1951 in India is estimated to be 2.72 million tons less than production in 1950 which was not a good year. This estimate is based upon crop cutting tests. Crop cutting for the 1951 millet crop will not be available until March. The latest estimates, however, are that the millet crop for 1951 will be 2.75 million tons less than in 1950.

The present outlook for the 1951 wheat crop is the same as that for 1950.

(2) In 1950 India imported 2.2 million tons of foodgrains and took .9 million tons from her pipelines.

By adding the 5.47 million tons representing the shortfall in foodgrain production, the 2.2 million tons imported for consumption in 1950, and the .9 million tons consumed from the pipeline, we arrive at a figure of 8.57 million tons of food grains which would be required from abroad to maintain the 1950 standard of consumption. This figure does not allow for an increase in population of at least 5 million people. It also does not allow for .9 million tons which would be required to keep the pipeline in most efficient operation.

It appears, therefore, that the Government of India's estimates of imports required—6.4 million tons—is a very modest estimate indeed when compared with the minimal 8.57 million tons which would be required to maintain the 1950 standard.

Even the lowest figure of 6.4 million tons required for importation leaves a requirement of .5 million tons from abroad after we have deducted the tonnages for the Indian purchase program and the proposed grant-in-aid.

At the Department's request, The Office of Foreign Agricultural Relations prepared an estimate of India's 1951 foodgrain import requirements. In the light of later information from the field, this estimate of 5.6 million tons of foodgrains required from abroad represents the lower limit of the estimate. The upper limit is estimated at 6.2 million tons.

This range is derived in the following manner:

Ration requirements in 1950 were	7.6 million tons
Additional ration requirements in 1950	8 to 1.0 " "
To replenish foodgrain pipeline	.9 " "
To repay foodgrain borrowed 1950	.2 " "
Total Government procurement requirements for 1951	9.5 to 9.7 million tons
Less Government procurement from domestic procurement	3.5 to 3.9 million tons
1951 import requirement	5.6 to 6.2 " "
Government of India financed imports	3.8 " "
Balance to be imported	1.8 to 2.4 " "

B—THE GOVERNMENT OF INDIA'S ABILITY TO FINANCE THE NECESSARY IMPORT OF ADDITIONAL FOODGRAINS

(1) To evaluate India's ability to pay for the importation of foodgrains required in 1951, the official Indian balance-of-payments projection for fiscal 1951 has been converted into a tentative balance-of-payments estimate for the current calendar year. On this basis there would be an estimated deficit of \$166 million in calendar 1951. This figure takes into account a foodgrain import of only 3.9 million tons. It does not allow for the additional 2 million tons of emergency food imports required. If India's total of imported foodgrains for calendar 1951 is taken, at a rough estimate, to be no more than 6 million tons, of which 3.9 million tons are assumed to be within India's capacity to acquire and finance, the general magnitude of the expected financial imbalance can be projected as follows: The cost of 2 million tons of foodgrains is estimated at \$180 million f.o.b., or \$214 million delivered. If India were to finance the importation of these additional 2 million tons, her total estimated deficit would be increased to approximately \$380 million (i.e. 166 + 214). This would, of course, require utilization of India's sterling balances and substantial drawings on the sterling-area dollar pool. The net amount of such dollar drawings would, of course, depend on what happens to the remainder of India's dollar balance of payments during this period.

(2) India's large sterling balances can be examined from the point of view of their possible availability in the present emergency. From the peak of about £1.3 billion in 1946 for pre-partition India-Pakistan (pre-devaluation equivalent about \$5.2 billion) India has drawn down her share to approximately £640 million (post-devaluation equivalent about \$1.8 billion). The bulk of these balances is in a blocked account. Under an agreement of August 1949 India was entitled to a release of £50 million in the year ending June 30, 1950, and an additional £50 million in the year ending June 30, 1951, none of which has yet been drawn. In addition she will be entitled, under the so-called

Colombo plan, to releases of £35 million per annum for the six years beginning July 1, 1951. It should be noted that arrangements between India and the U.K. with respect to the former's sterling balances are very flexible, and India has been able to draw on her sterling account to the extent necessary to meet current deficits even when the drawings exceeded the limits set by previous understandings.

As India is a sterling-area country and maintains her reserves in sterling, any net surpluses or deficits in her balance of payments will be reflected in changes in her sterling balances. Thus, a deficit of \$166 million in 1951 would imply (in the absence of capital movements) a reduction in India's sterling balances of approximately £60 million. If India draws down her balances at the rate of £35 million per annum for the next six years in accordance with her present development plans, those balances will be further reduced by £210 million by 1956 or 1957. Thus, barring further emergencies, the total diminution in India's balances would be of the order of £270 million, leaving India some six years hence, with a reserve of approximately £30 million.

(3) The foregoing calculation was based on the assumption that extraordinary external aid would be provided for the two million tons of additional wheat required. If India should not be able to obtain this aid and must finance the increased imports herself, her reserves would be pulled down still further by the equivalent of \$214 million, or approximately £76 million. The result would be to bring her sterling balances down to the neighborhood of £300 million or slightly under \$900 million by 1956-7. It is doubtful whether such reserves can be considered adequate for a country of India's size, growing population, and volume of international transactions. In the absence of external aid, India might curtail or abandon her economic development program in order to prevent her reserves from falling below the safety level. If India should follow such a policy it would, of course, pose the longer-range problem of India's essential requirements for development and improvement of living standards, a problem in which the U.S. is vitally interested for political reasons.

(4) Informal talks with the Department of Agriculture indicated that Australia has no foodgrains available for export, other than those coming under the IWA. While Canada has some low-grade (#5, not normally used for human consumption), Canada's inland transport situation is such that movement could not begin until much later in the year.

Canada and Australia have indicated that they will make rather modest contributions to the Commonwealth development program for South and Southeast Asia; it has been estimated that these gifts might aggregate about \$25 million for the first year of the program.

All in all, therefore, it is not likely that any but rather nominal sums compared to the requirement can be forthcoming from these sources.

(5) India's reserves other than sterling are not large. The statistics on short-term deposits in New York indicate working balances maintained at about \$50-70 million chiefly for the use of the Indian Purchasing Mission. In addition, India has a modest independent gold reserve which since before World War II has been maintained at a constant level (\$247 million since partition). This reserve is approximately equal to the legal minimum requirements against the note issue of the Reserve Bank of India. For both legal and psychological reasons this traditional gold reserve is not available for meeting current-account deficits in India's balance of payments.

(6) There would be little justification for financing the import of the additional 2 million tons of foodgrains by a long- or intermediate-term loan. Neither the Export-Import Bank nor the International Bank for Reconstruction and Development would be prepared to advance the necessary funds for procurement of consumers goods, i.e. for an undertaking which has no income producing possibilities. The International Monetary Fund has already advanced India \$100 million, nearly four times the Indian gold contribution to the Fund.

C—THE AVAILABILITY OF SUPPLIES AND THE ABILITY TO DELIVER

(1) The Department of Agriculture has stated that an additional 2 million tons of wheat are available in the United States. It should be noted, however, that the entire 2 million tons of foodgrains should be taken in wheat only as a last resort. In view of possible increases in the price of wheat and possible increases in the demand for wheat from other quarters, the composition of the 2 million tons of foodgrains might well extend into barley, corn, and other substitutes.

(2) United States inland transport for 2 million additional tons of foodgrains will be a problem, but not an insurmountable one. Present estimates on the availability of inland transport show that the greatest load will come in late spring and during the summer.

(3) The Maritime Commission has stated informally that ocean transport will not be a major problem.

(4) Studies of India's ability to unload and distribute an additional 2 million tons of foodgrains show that India has this ability.

Note:

Comprehensive analyses of the detailed statistics involved in factors A, B, and C are in process.

[Annex II]

SECRET

[WASHINGTON,] January 24, 1951.

INDIAN REQUEST FOR FOOD GRAINS: POLITICAL CONSIDERATIONS

INDIA'S IMPORTANCE TO US SECURITY

South Asia, of which India comprises the most important part, is the only substantial area in the Asian land mass which has not been subverted, or is not imminently threatened with Communist domination. If South Asia falls under Communist control, a strategic area containing nearly half a billion people will be denied to us, and its resources, including strategic materials, can be utilized against us. Potential bases for containment of Soviet power, or attacks on the Soviet heartland and Communist China would be denied to the non-Communist powers and Soviet control of the Asian land mass would be virtually complete.

The present threat of famine in India promises to create conditions ideally suited to the subversive activities of the Communist Party of India which is exploiting situations calculated to increase popular dissatisfaction with the present non-Communist Government. A quick response to the Indian Government's request for food grains is the most effective means, immediately available to our Government, of counteracting Communist subversion in India.

HUMANITARIAN CONSIDERATIONS

Rightly or wrongly large numbers of Indians have expressed disappointment or bitterness over the failure of the US to respond to the informal request for food grains made by Mr. Nehru in 1949. Today, in the face of shortages far more serious than those which existed in 1949, Indians find it increasingly difficult to understand why the US, which prides itself on humanitarian principles, cannot make food grains available to avert famine. Informed Indian officials are aware of our many commitments in other parts of the world, and may understand the bureaucratic complexities and political complications bearing on a project of this sort, but most Indians feel that if the US really wants to prevent famine it will find some way of doing it, while Communist propaganda will be quick to seize on our failure to help as evidence of greed and cold-bloodedness in our dealings with under-developed areas and under-privileged peoples. Public support in the US for assistance to India can probably be stimulated more effectively on humanitarian grounds than on the basis of strategic considerations. Mr. Hoover⁴ and Mr. Stassen⁵ have both declared

⁴ Herbert Hoover, U.S. President, 1929-1933; associated with a number of U.S. relief efforts abroad both before and after his presidency.

⁵ Harold E. Stassen, President of the University of Pennsylvania.

themselves in favor of economic assistance to other countries, and it is understood that in a private conversation Mr. Taft⁶ recently stated that while he had not investigated the matter, he was inclined to favor a gift of food grains to India if this were necessary to prevent starvation.

INDIAN GOVERNMENT ATTITUDES

Considerable annoyance and concern has been created among officials in Washington by statements made by Mr. Nehru. It is quite apparent that Mr. Nehru, recognizing the power of Communist China, is grasping at every possible straw in his effort to avoid offending the Chinese Communist authorities, and many of his pronouncements regarding the Communist aims are disturbing. We cannot, however, afford to allow Mr. Nehru's declarations to blind us to the vital importance of not losing India and South Asia to Communism by default.

In the last analysis Mr. Nehru's current policy toward Communist China is essentially the same as that of the British Government, which, while not openly encouraging him, does not appear to have made any effort to change his views. Whether we like the British attitude or not, self-interest dictates that we continue to make sacrifices to keep Great Britain independent. By the same token it is in our interest to prevent India from falling under Communist domination.

Mr. Nehru's pronouncements to the contrary notwithstanding, the Indian Government is well aware of the danger of Chinese Communist aggression—exemplified in Tibet and Korea, and threatened in Burma. Current reports indicate that border defenses are being strengthened, and Mr. Nehru has stated in Parliament that India will not tolerate an invasion of Nepal. There is no reason to believe that the present Indian Government would not fight Communist invaders to the best of its ability, but if large elements of the population are starving the will to resist will be proportionately weakened.

So far as internal Communism is concerned, Indian authorities—both Central and State—continue to apply stringent measures to control Communist activity.

Whatever we may think of Mr. Nehru's somewhat emotional declarations we know that if the present government falls India will either be thrown into a state of chaos or come under control of a government far less sympathetic to our ideals and objectives than the present government. It is all too likely that a new government would be controlled either by Communists who would swing India into the Soviet orbit or by elements of the extreme right utilizing totalitarian methods which would be much closer to Soviet communism than to the principles supported by the western democracies. The emergence

⁶ Robert A. Taft, U.S. Senator from Ohio.

of either type of government would probably have a disastrous effect on Indo-US relations. By comparison Nehru's current effusions would probably seem quite innocuous.

INDO-US RELATIONS

Relations between the US and India are essentially good. Differences of opinion regarding issues such as Kashmir, Formosa, Indochina, and admission of the Chinese Communists to the UN need not be regarded as incapable of solution. However misguided Mr. Nehru may be on the subject of the Chinese Communists and the UN (along with the British and a number of other governments) we will only be hurting ourselves if we allow our rancor to cloud our vision in viewing the over-all importance of keeping the present Indian Government in power.

If we permit famine to develop in India, we may contribute to the collapse of a government which in the long run is much more apt to cooperate with us than any possible successor government. The cost of the food grains under discussion is not inconsequential; and the effect of a gift of food grains cannot be mathematically predicted; but failure to take this calculated risk may result in inestimable losses in terms of manpower, resources, and strategic advantage.

If Congress is asked to authorize a gift of food grains the question of Kashmir and other Indo-Pakistan disputes will be raised. We may wish to state frankly that we do not agree with Mr. Nehru's position in the Kashmir case and are continuing efforts through the UN to bring about an equitable settlement, but are convinced that the urgency of the food problem is such that we cannot afford to make a gift of food grains contingent upon a final settlement of current Indo-Pakistan disputes. If it is suggested that funds currently being used to support Indian armed forces might better be used for the purchase of food it may be pointed out that in view of Communist aggression we believe the Indian armed forces should be maintained at their present strength, or greater, even if differences with Pakistan are settled. It may be also pointed out that famine in India would probably serve to increase tension between India and Pakistan and make it more difficult than ever for the Indian Government to agree to an equitable settlement.

THE ALTERNATIVES

If we respond to the Indian request we may reasonably expect the following benefits:

1. The position of the present non-Communist government will be strengthened; the possibility of subversion of India and South Asia by Communist powers will be reduced; and the possibility of gaining

Indian cooperation and denying South Asia and its resources to the Communist bloc will be enhanced.

2. The Indian people and the world at large will be impressed by our humanitarian impulses; charges that we are willing to relieve suffering only when we stand to gain politically will be counteracted; and the American taxpayer will have the satisfaction of participating in a generous project to prevent starvation in a country plagued by natural disasters.

3. Relations with India, which, despite differences of opinion, are essentially good, will be improved; cooperation between our governments necessitated by a gift of food grains will offer new opportunities for increased mutual understanding; and our basic good will toward the Indian people will take tangible form.

If we refuse the request for food grains we may reasonably expect the following developments:

1. The present government will be weakened and India may be threatened with anarchy, a dictatorship of the extreme left, or a dictatorship of the extreme right. The possibility of Communist subversion of the country, and utilization of Indian manpower and other resources against us will be increased.

2. The Indian people and peoples of other Asian countries will question the validity of our humanitarian impulses; and charges that we are interested in relieving human suffering only for political reasons will be substantiated in the eyes of the world.

3. Our relations with India will deteriorate; we will throw away an opportunity to develop mutual understanding between our governments; and the Indian people will be willing to believe that our expressions of solicitude are hypocritical.

891.2311/2-151

Memorandum of Conversation, by the Secretary of State

TOP SECRET

[WASHINGTON,] February 1, 1951.

MEETING WITH THE PRESIDENT

ITEM 3. WHEAT FOR INDIA

I went over this situation with the President and left with him the two memoranda and the copy of the proposed message.¹ I said that I should like to revise my memorandum to him before signing it for the final record. I believe that the President approves of the course recommended although he has not given his final authorization to go forward. He agreed to the following arrangements:

- (1) He would see the Congressional group which wrote him the

¹ Reference is presumably to the Secretary's memorandum to the President of February 2, p. 2109, with its two attachments.

letter endorsing the wheat for India proposal.² He was not sure whether he should see a committee representing the group or all the group. Mr. Connelly³ at the White House will discuss the matter with someone from the Senate and someone from the House and will make a decision. He doubts whether he can see the group today, but will try to do so tomorrow.

(2) Regarding Mr. Hoover, he asked me to see Mr. Julius Klein⁴ and prepare him for the President's call to Mr. Hoover. He did not wish Mr. Hoover to reject the President's proposal as a matter of first impression.

(3) He will talk to the leaders, with whom he would ask Senator Connally to be present, on Monday⁵—that is, he will talk to the Big Four⁶ plus Senator Connally.

(4) He cannot agree to a specific day for his message to Congress because he wishes his next message to be the tax message. However, he hopes that he can closely approximate the day we suggested. I think we had probably better leave the matter where it is until I can mention it again to the President after Cabinet tomorrow.

² The letter, dated January 30, was signed by the following bipartisan group: Senators William Benton, Paul H. Douglas, Ralph E. Flanders, Robert C. Hendrickson, Hubert H. Humphrey, Irving M. Ives, Herbert H. Lehman, Warren G. Magnuson, Wayne L. Morse, Joseph C. O'Mahoney, James E. Murray, Leverett Saltonstall, H. Alexander Smith, and Charles W. Tobey and Representatives Frances P. Bolton, Thurmond Chatham, James G. Fulton, Christian A. Herter, Jacob K. Javits, Walter H. Judd, Edna F. Kelly, Mike Mansfield, Thomas E. Morgan, and Abraham A. Ribicoff. The text of the letter appears in *Congressional Record*, vol. 97, pt. 4, p. 5262.

³ Matthew J. Connelly, Secretary to President Truman.

⁴ Julius Klein, business consultant; formerly Assistant Secretary of Commerce, 1929-1933.

⁵ February 5.

⁶ Vice President Alben W. Barkley; Representative Sam Rayburn, Speaker of the House of Representatives; Senator Ernest W. McFarland, Senate Majority Leader; Representative John W. McCormick, House Majority Leader.

S91.49/2-251: Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL NIACT NEW DELHI, February 2, 1951—7 p. m.

1932. Re Deptel 1206 January 31, 7 p. m.¹ Embassy believes impossible estimate reliably number deaths likely result from failure obtain emergency import requirements requested from US but if pressed to name figures it would say that as many as 1 million and possibly even in excess of 2 million might die if food grain imports beyond those already programmed (3.7 million tons) are not obtained. Estimate includes acceleration of death losses among underfed portion of population resulting from epidemic diseases associated with famine.

¹ Not printed. It requested a rapid reply concerning estimated deaths from starvation if emergency requirements sought from the United States were not met (S91.03/1-3151).

Deaths would be expected in distressed areas throughout India and not in concentrated area as during Bengal famine 1943. Since that time development of system for local food procurement and food rationing has spread effects of food deficiencies throughout entire country.

To maintain grain ration 12 ounces per adult per day GOI uses 4 million tons for 45 million rationed population in principal urban areas and Travancore, also requires 5 million tons for partially rationing 85 million people in rural deficit areas and additional urban areas. Ability to distribute 9 million tons largely depends on ability procure 4 million tons local purposes. If additional 2 million tons US grain not obtained probably only 3 million tons procurable because short rations cause grain price inflation, black marketing and hoarding by producers and small merchants. Hence failure obtain extra 2 million US grain likely result 3 million tons less grain for rationing (foregoing 2 million US and 1 million local procurement). Deficiency amounting $\frac{1}{3}$ rd of required supplies would fall most heavily on people least able bear it, especially landless laborers and deficit producers in villages whose low wages prevent them from purchasing food at black market or open market prices. GOI reports shortages in worst districts Bihar have caused prices unrationed supplies of rice high as 30 rupees per pound (7.7 cents per pound) whereas official procurement price 13 to 14 rupees. Past experience as in Uttar Pradesh 1949 indicates producers rebel and organize demonstrations against official procurement at fixed price when price otherwise obtainable much higher.

Besides deaths dramatic effect of failure obtain extra 2 million tons will be rapid spread civil disorder which already increasing. Owing non-supply food grains GOI reports much unrest among industrial laborers and others. In Bombay during November December hunger marches and demonstrations occurred in district headquarters East Khandesh, Nasik, Ratnagin and Poona. During December January standing crops ready for harvest were looted by hungry people Sholapur, Ahmednagar and Poona. Fairly large scale movement rural population into towns in search food becoming common. Cases reported people living mainly on roots, tubers and nuts. In Hyderabad Communists making much of prevailing scarcity food; on one occasion engineered looting government grain warehouses and shops.

Press today reports about 1,000 people marched yesterday through Patiala streets shouting give us bread or leave offices and save PEPSU from famine.

Editorial commerce and industry January 31 (see separate telegram for summary)² cites private members amendment of measures before Madras legislative council urging greater GOI imports for rationing or else Madras government should diplomatically [dis]associate itself from food administration of union government. Other illustrations cited indicating discontent secessional tendencies of state governments over GOI food scarcity policies. Embassy convinced failure obtain extra 2 million tons grain would result much civil disorder, disruption of system grain procurement rationing, upsurge of Communist activity among distressed portion of population and serious weakening of government of this newly created republic in year of its first national election. And it would not surprise us if GOI reaction would be immediate effort secure grain from USSR and China.

HENDERSON

² Not printed.

891.49/2-251

Memorandum by the Secretary of State to the President

SECRET

[WASHINGTON,] February 2, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Indian Request for Food Grains

On December 16, 1950, the Indian Ambassador officially requested the assistance of the United States Government in overcoming a food crisis which had developed in India as a consequence of an extraordinary sequence of floods and droughts. She stated that in order to prevent serious and extensive suffering among the Indian people, her Government would have to import six million tons of food grains during 1951. It had sufficient foreign exchange resources to pay for four million tons, but would need help, in the form of a long-term credit or some other special arrangement, to procure the remaining two million tons. Her Government had turned to this Government for assistance as the requisite quantity of grain was available only in the United States.

The Department of State has since been studying, in consultation with other interested departments and agencies, the problem posed by the Indian request. The following general conclusions have been reached:

1. In order to prevent mass suffering from food shortages resulting from an extraordinary sequence of natural disasters, India must import food grains in the order of six million tons during 1951.

2. India would face very serious difficulties in financing the purchase of six million tons of food grains during 1951.

3. The United States can spare two million tons of food grains, in addition to the quantities which India will acquire in this country within its purchase program of some four million tons, without jeopardizing the United States supply position.

4. Inland transport facilities, both in the United States and in India, and ocean transport can be made available to move the two million tons of grain.

5. The cost of two million tons of food grains is in the order of \$180 million.

6. In view of the relief character of the Indian need and India's relatively low debt servicing capacity, assistance in meeting India's food crisis should be on a grant basis.

7. Few or no funds for this program will be available from previously appropriated ECA funds. Congressional action for new funds will almost certainly be required for the two million tons program.

8. It is in the United States national interest to assist India in its present food crisis. United States assistance will increase the influence of pro-Western elements with the masses and with Nehru and his Government. A refusal to assist would in itself strengthen elements inimical to the United States, and in its consequences permit the development of conditions of distress and disorder which would play into the hands of those elements.

9. To refuse assistance to India in its time of critical need would run counter to American traditions.

The last factor has already engaged the interest of a small bipartisan group in the Congress which wrote to you on January 30 soliciting your support of food aid to India. This group has become increasingly eager to initiate legislation. Its sense of urgency derives from the fact that some of the two million tons of food grains must begin to move to India by April if a breakdown of the rationing system and possible starvation are to be averted.

I therefore recommend:

(1) That you inform the signers of the congressional letter of January 30 that you will be able to see them at an early date and that at your meeting with them, you indicate that you are considering this matter carefully and authorize them to release their letter to the press and to give out interviews saying that you are giving the matter careful consideration and appreciate their bipartisan interest.

(2) That you subsequently inform the House and Senate leadership, together with Chairman Connally of the Foreign Relations Committee and Acting Chairman James P. Richards of the House Foreign Affairs Committee, of your support of the program and the urgent need for immediate action. A suggested memorandum for use at this meeting is attached.¹

¹ Not printed.

(3) That at the first suitable opportunity thereafter you address a message to the Congress requesting food aid to India. A draft message is attached for your consideration.² The principal points of this message are :

a. That the Congress provide for emergency food aid to India for two million tons of food grains at a cost of \$180 million, one-half of which should be appropriated for use in fiscal 1951. In order that procurement, loading and shipment may begin as soon as possible, the authorizing legislation should also authorize the RFC to make available \$50 million, pending appropriation of funds for the first one million tons. Funds for the balance of the program would be subject to appropriation for use early in fiscal 1952.

b. That an aid agreement be negotiated with the Government of India, which will specify that distribution of the food grains should assure optimum benefits to the people of India, and that India maximize her effort to produce more food grains and to increase the procurement of food grains from other sources. The agreement should also specify that proceeds of the program in India be deposited as counterpart funds which will be used in Indian programs: (i) to maximize Indian food production, (ii) to provide for educational exchanges of the Fulbright type, (iii) to establish technical and welfare institutes and (iv) to develop health, sanitation and other similar projects for the benefit of the people of India.

c. That you appoint your Personal Representative for Indian Food Aid who will observe India's fulfillment of the terms of the aid agreement and exercise United States supervision of the joint Indian-United States control over the deposit and use of the counterpart funds.

d. That the appropriation of funds for the last half of the program will present an opportunity for final evaluation of (i) India's additional food grain import requirement on the basis of Indian crop-yields and domestic procurement in the first half of 1951, (ii) India's capacity to finance additional imports of food grains on the basis of trade developments in the first half of 1951, (iii) our supply situation in the light of other requirements which may develop, and (iv) the availability of shipping and United States inland transport.

DEAN ACHESON

² For the text of the President's message to Congress as delivered on February 12 recommending that assistance be provided to India to enable her to meet her food crisis, see *Congressional Record*, vol. 97, pt. 1, p. 1243; Department of State *Bulletin*, February 26, 1951, p. 349, or *Public Papers of the Presidents of the United States: Harry S. Truman, 1951* (Washington, Government Printing Office, 1965), p. 149.

891.49/2-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL PRIORITY NEW DELHI, February 3, 1951—1 p. m.

1944. This morning during conversations with Munshi, Food Minister, Taylor¹ posed this question; if you were pressed to estimate increase in number of deaths throughout India which would result from having only 6 million tons food grain for rationing purposes 1951 instead 9 million tons, taking into consideration increased deaths from diseases, what would you reply? Munshi said that when Indian Embassy Washington asked that question he refused provide them with estimate and also refused send pictures famine conditions, particularly any evidence famine deaths. He felt that to do so would undermine his own position India. As he was struggling prevent famine deaths, any pictures to illustrate such deaths would only supply evidence his failure. Moreover they would create panic India which would make his food distribution problem even more difficult to solve. Sahay,² new Secretary Food and Agriculture injected remark that famine death evidence was double-edged sword.

Taylor then suggested that if he were pressed answer such question he would be inclined say that if confronted with above-mentioned reduction ration supplies India might have extra 1 million or 2 million deaths in addition to 8 or 10 million deaths normally occurring but such deaths mostly from disease which undernourished bodies would be less able survive. Sahay commented this was as good reply as could be made. Munshi added that in parts of Madras and Bihar there would probably be an increase in death rate because shortage food; however he was sensitive any reference to hunger deaths. For example, when one man in Madras was reported to have died from hunger, Madras Government appointed five committees to investigate death in connection food distribution problems.

Embassy believes inadvisable stress deaths from hunger when dealing with GOI request US food grains.

HENDERSON

¹ Clifford C. Taylor, Agricultural Counselor of the Embassy in New Delhi.

² Vishnu Sahay.

Editorial Note

On February 7, President Truman discussed the Indian famine situation with the following group at the White House: former President Hoover; Secretary Acheson; Assistant Secretary McGhee; Charles F. Brannan, Secretary of Agriculture; Stanley Andrews, Director of Foreign Agricultural Relations, Department of Agricul-

ture; William C. Foster, Administrator of the Economic Cooperation Administration; D. A. Fitzgerald, Director, Food and Agriculture Division, ECA; James K. Knudson, Defense Transport Administrator; Frederick J. Lawton, Director, Bureau of the Budget; and W. Averell Harriman, Special Assistant to the President. Following the meeting, Mr. Hoover spoke in favor of aid to India to members of the press; his remarks were acknowledged by President Truman in his news conference of February 8. (See transcript of news conference in *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, page 147.)

On February 8, a formal appeal to the United States Government for emergency assistance to India in the form of two million tons of grain was made in a note by the Indian Chargé in the United States, M. K. Kirpalani, to the Secretary of State (891.2311/2-851). The text of the note is printed in a report of February 20 prepared by the Department of State for the information of the House Committee on Foreign Affairs entitled *India Emergency Food Aid Program* (Washington, Government Printing Office, 1951), page 11.

891.49/2-951

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan-Afghanistan Affairs (Gatewood)

SECRET

[WASHINGTON,] February 9, 1951.

Subject: US Attitude Towards Indian Food Request; Unavailability of Admiral Nimitz¹ for UN Duties in Kashmir

Participants: Mr. M. A. H. Ispahani, Ambassador of Pakistan

NEA—Mr. McGhee

SOA—Mr. Gatewood

Problem: To forestall Pakistan objections to proposed US food gift to India and to soften Pakistan disappointment over unavailability of Admiral Nimitz for UN duties in Kashmir.

Action Required: To inform the Pakistan Ambassador of our attitude towards the Indian food request and to express hope that a suitable international figure may be found to replace Admiral Nimitz.

Action Assigned to: NEA

The Ambassador called at our request for an interview of half an

¹ Fleet Adm. Chester W. Nimitz had been appointed by the President as Chairman of the President's Commission on Internal Security and Individual Rights and was therefore unavailable for duties in Kashmir. For further documentation, see pp. 1699 ff.

hour before Mr. McGhee left this afternoon for the Istanbul Foreign Service Conference.²

Mr. McGhee opened the conversation by saying that the serious threat of famine in India had aroused American humanitarian concern in the US, the reasons for which the Ambassador could well appreciate, and that we would ask Congress, subject to the President's concurrence, to extend the US aid requested. He emphasized that, as the American press had reported, we did not feel that political considerations (such as the Indian attitude on Korea) should prevent our most generous consideration of the Indian request and that we had no intention of displaying any favoritism towards India or of taking action that would be detrimental to Pakistan's interests. He pointed out that we expected bipartisan legislation to be introduced into Congress next Monday (February 12), authorizing the gift of 2 million tons of food grains and that, once authorization is available, appropriations will be made to provide one-half of the Indian request in this fiscal year. He assured the Ambassador that we will satisfy ourselves that India is unable to obtain elsewhere the remaining 1 million tons before appropriations are made for that amount.

The Ambassador wholeheartedly agreed that no people should be allowed to starve (a principle forming an integral part of Islamic doctrine) and said that he would expect the US to extend the same sort of aid to Communist China under similar circumstances. He referred, however to the fact that, though entirely sympathetic to the motives of the US, his Government had foreseen certain practical difficulties that might arise as a result of US generosity. He reminded Mr. McGhee that India had not purchased several hundred thousand tons of wheat in 1949-50 because of the Indian desire to force down the rate of the Pakistan rupee; that India had converted land from food grains to jute and cotton, thereby losing almost 1 million tons of food production; and that Pakistan would be willing to sell India its surplus grains totaling about 360,000 tons of rice, now available, and 150,000 tons of wheat expected to become available in May after fulfilling all Pakistan commitments (both firm and tentative, i.e. both the pending Japanese and German orders and all possible orders under existing Pakistan trade agreements).

The Ambassador described the composition of the present rice surplus as follows: 95,000 tons carry over; 200,000 tons from the new crop in West Pakistan, and 65,000 tons available in East Pakistan. He went on to urge strongly that our humanitarian aid should not simply result in providing India with more ammunition for its economic warfare with Pakistan, pointing out that, if India did not receive US

² The Second Regional Conference of the Chiefs of Mission in the Near East, held in Istanbul from February 14 through 21, of which Mr. McGhee served as chairman.

aid, it would have to find some means of obtaining the necessary food, whereas otherwise funds might be diverted from the Indian budget to additional machine tools and even military equipment. He expressed the earnest hope that the US would use its influence to stop the present trade war between the two countries.

Mr. McGhee remarked that Pakistan could provide only a small part of the total Indian food deficit, which we believed would exceed 5.5 million tons; that we had hopes of some progress being made toward a restoration of Indo-Pakistan trade; that we were convinced of the immediate Indian need for 1 million tons of food grains; and that we would satisfy ourselves as to a need for the remaining million tons, probably sending a special mission to India to supervise the program and to ensure the wise spending of US funds.

At the close of the conversation, Mr. McGhee briefly expressed great regret that Admiral Nimitz would not be available for UN duties in the Kashmir case and said he believed that someone else, possibly from the Commonwealth, could be found to carry on the necessary negotiations. The Ambassador was much depressed by this news.

891.00/2-951

The Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Ambassador in India (Henderson)

SECRET

WASHINGTON, February 9, 1951.

OFFICIAL INFORMAL

DEAR LOY: Your letter of January 8 to George McGhee (now in Istanbul) is extremely helpful, even though it makes unpleasant reading.¹ I am not surprised at your conclusions, since certain of the officers in SOA have maintained for some time that we cannot expect the British to be completely frank with us, and that they do not necessarily look with favor on any increase in our activities or influence in South Asia—even though these are in no way directed against the British, and in the long run should redound to their advantage. It is also becoming more and more apparent to me that the so-called Commonwealth mechanism is somewhat shaky, and that we cannot count on it for complete cooperation in our various efforts to extend assistance to South Asian Commonwealth countries.

¹ The letter from Mr. Henderson is not printed. In it, the Ambassador expressed the belief that the United States could not trust the British to represent the Anglo-American partnership in South Asia; the United States, he said, must work with the British but not place itself in British hands. Mr. Henderson also expressed dismay that during the past 2 months British officials, instead of merely listening to criticism of American policies from Indians, were now inclined to take the lead in criticizing the United States. (891.00/1-851)

I am afraid the Kashmir case has demonstrated pretty clearly that the British have no real desire to "take the lead" in settling intra-regional disputes, and I am willing to believe there is a strong basis for your suspicion that they will endeavor to pass to us most of the blame for whatever happens in connection with this case.

The apparent efforts of the British to play up to India at the expense of their relations with Pakistan is understandable up to a certain point as part of a supposedly realistic or cynical policy of flattering the most powerful government in the region, but I am somewhat puzzled by the almost brazen manner in which the British have recently appeared to ignore the sensibilities of the Pakistanis. If the current British attitude toward the Kashmir problem is to be taken as an index, it would appear that even Liaquat Ali Khan's² holdout in connection with the Commonwealth Conference has not made a very deep impression. I cannot help feeling that if the British take Pakistan's friendship for granted they will eventually alienate the government and the people; and if they intend to prevent further deterioration of their relations with Pakistan by fastening the blame for the Kashmir imbroglio on us, I question whether the Pakistanis will be fooled. British policy toward Pakistan and India in this connection, and toward our activities in South Asia, appear to be somewhat unimaginative and disturbingly opportunistic. While it would probably do little good for us to attempt to point out the error of their ways, we must avoid letting the British think we are laboring under any illusions.

I hardly need add that if Mr. Nehru is making a deliberate attempt to drive a wedge between the US and Great Britain, he is following an alarmingly short-sighted policy, and any efforts which the British may be making to exacerbate relations between the US and the Indian Government are even more deplorable. However bitter the British may be over the fact that they are no longer a first-class power, and are dependent on the US for their survival as an independent nation, their dog-in-the-manger attitude in South Asia is inexcusable. I suppose we have no choice but to regard the spectacle more in sorrow than in anger, and to try to make it clear that they are only hurting themselves and the cause of the non-Soviet powers and their friends.

The incident reported by Mrs. Taylor³ is indeed depressing and I can quite believe Nye's remarks were typical of the current British

² Prime Minister of Pakistan.

³ Mrs. Clifford C. Taylor, wife of the agricultural attaché at the American Embassy, had informed the Ambassador of a recent conversation between British High Commissioner Sir Archibald Nye and Indian Home Minister Chakravarti Rajagopalachari wherein Sir Archibald made several comments on the United States lack of understanding concerning the seriousness and tragedy of war due to its never having experienced war in its own land.

approach to the Indians. I know you are missing no opportunity to let your British colleagues understand that we are not as naive as they choose to believe, and that we do not understand the logic represented by Nye's remarks to Rajagopalachari. Your suggestion that no action be taken in Washington with regard to the Nye-Rajagopalachari conversation will be followed. As a matter of fact Donald Kennedy was asked before he went to London last week to avoid reference to any specific cases whatsoever in the course of his discussions with British officials of relations between US and UK representatives in South Asia.

With warm personal regards, I am

Sincerely yours,

BURTON Y. BERRY

McGhee Files : Lot 53D468

*Memorandum by the Director of the Office of South Asian Affairs
(Mathews) to the Assistant Secretary of State for Economic Affairs
(Thorp)*

SECRET

[WASHINGTON,] February 16, 1951.

On the matter you mention in your memorandum of February 5 to Mr. McGhee,¹ a reported offer by Pakistan to barter 100,000 tons of rice for Indian coal, one point needs to be emphasized at the outset. The Indian Government's grain request is based on the premise that they need to import two million tons in addition to the supplies they can finance. We have been informed that they have yet to make procurement arrangements for a large tonnage—some 800,000 tons—with their own funds. Thus, if Pakistan's exportable surplus of rice, and possible later availability of wheat, should be verified, India's remaining needs are such that they must explore all available sources of supply. Embassy New Delhi reports that Indian officials recognize the advantages of easier transport and earlier delivery from Pakistan, if firm arrangements can be made. I readily agree as to the urgent need for persuading the Government of India to take up all firm offers of grain from Pakistan for which terms are at all reasonable. Once United States assistance is assured, the "benefit of doubt" should generally be resolved in Pakistan's favor.

¹ The memorandum read as follows: "I am greatly disturbed by the report that Pakistan offered to barter 100,000 tons of rice for Indian coal, and the proposal was turned down. I recognize the political problems but if India is *really* concerned about starvation, this seems inexplicable. I think we should take a strong position on requiring India to get all she can from other sources, no matter how distasteful to her. Furthermore, how do we handle Pakistan's surplus (her harvest starts in May) in our calculations?" (NEA files, lot 53D468)

As regards the aforementioned specific offer, Embassy New Delhi quotes Indian officials as denying that this offer had been made by the Government of Pakistan. The Indians' version is that they informally suggested to trade coal for 100,000 tons of rice and 300,000 bales of jute, and that GOP officials countered with an offer of 50,000 tons of rice and 30,000 bales of jute for coal (tonnage not reported). GOI countered with a proposal that a separate barter agreement involving rice be arranged.

The Indians claim that the maximum quantity offered on a firm basis was 50,000 tons by a private trader in Pakistan.

Several recent messages from New Delhi contain definite indications that the Indian authorities are amenable to recognizing the Pakistan exchange rate, thus opening the way for an increased volume of trade.

Editorial Note

Hearings on bills to furnish emergency food relief assistance to India were begun by the House Committee on Foreign Affairs on February 20, 1951, with testimony by Secretary Acheson and officials from various parts of the government. See *India Emergency Assistance Act of 1951; Hearings Before the Committee on Foreign Affairs, House of Representatives, Eighty-Second Congress, First Session . . . February 20, 21, 22, 23, 1951* (Washington, Government Printing Office, 1951). Secretary Acheson's testimony is also printed in the Department of State *Bulletin*, March 12, 1951, page 424.

For additional documentation on House consideration of aid to India, see *House Report No. 185 . . . on H.R. 3017* (March 5, 1951) and *Staff Memorandum: Additional Information on H.R. 3017, India Emergency Assistance Act of 1951* (March 6, 1951) (Washington, Government Printing Office, 1951).

791.13/2-2151

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, 21 February 1951.

No. 1952

Ref: Deptel 1316, February 20, 1951¹

Subject: Report on Conversation with the Prime Minister of India, Pandit Jawaharlal Nehru, at noon on February 20, 1951 regarding the international situation.

¹ Telegram 1316 to New Delhi, sent February 19, contained suggested topics for Ambassador Henderson's anticipated talk with Prime Minister Nehru (611.91/2-1751).

SIR: I have the honor to report that I had a conversation with Mr. Nehru, Prime Minister of India, which lasted for approximately an hour. This conversation was arranged at my request in order that I might have an opportunity to obtain some of the Prime Minister's current views with respect to the international situation before my departure for Ceylon to attend the pending American Foreign Service conference.²

I found the Prime Minister in an excellent humor. In none of my previous conversations had he ever been so friendly or talked with such apparent frankness. He made use of his great personal charm and was evidently anxious to persuade. It is easy to understand how, when the Prime Minister is in such a mood, he is so frequently able to win over so many persons, particularly those without profound convictions based on their own experiences. In fact, as I listened to him I found myself rather regretful that I could not agree with him and say with all honesty that he was quite right and was, in my opinion, pursuing the policy most likely to preserve the peace of the world.

I did not undertake to argue with the Prime Minister, since his remarks were in response to my request that he give me his views with regard to the present international situation and also his ideas as to what would be the best way for coping with this situation. It was impossible for me to guide the conversation, and his brilliant mind wandered at will from one subject to another somewhat regardless of relevance and sequence. Nevertheless he made quite clear the broad outlines of his thinking and of the policies based on his thinking.

I regret that I found no opportunity to ask some of the questions which I hoped to be able to put to the Prime Minister, and was unable to focus our conversation on some of the more concrete problems of South Asia. No mention was made, for instance, of Nepal or any of the differences, including Kashmir, existing between India and Pakistan. Little was said also about the present state of relations between India and the United States.

Respectfully,

LOY W. HENDERSON

² The South Asian Regional Conference of United States Diplomatic and Consular Officers, held at Nuwara Eliya, Ceylon, February 26 through March 3, 1951. For documentation on the conference, see pp. 1650 ff.

Enclosure

*Memorandum of Conversation, by the Ambassador in India
(Henderson)*

SECRET

NEW DELHI, February 20, 1951.

Mr. Nehru, the Prime Minister, received me at my request at noon today in his office in the Parliament Building. Our talk lasted for approximately an hour. His manner throughout was friendly and even cordial. There is set forth below a summary of certain portions of our conversation.

I thanked the Prime Minister for putting aside his other pressing duties in order to let me talk with him. I said that I was planning to leave day after tomorrow for Ceylon in order to attend an American Foreign Service conference at which would be present the Chiefs of our various diplomatic missions and consular offices in South Asia, as well as a distinguished group of American officials from Washington. At this conference we would probably discuss the international situation with particular emphasis on South Asia. The various Ambassadors would be expected to talk about the external and internal policies of the countries in which they were stationed and would exchange views among themselves and with the officials from Washington with regard to various phases of their work. It had seemed to me that it might be useful for me before proceeding to such a conference to have a chat with the Prime Minister of India since any views which he might care to give to me personally and confidentially regarding the international situation might assist me during my talks in Ceylon. I had therefore asked him for the present interview. After I had requested an appointment I had informed the Department of State that I hoped to see the Prime Minister and inquired if there was anything in particular which it would like for me to tell him. Just a few minutes before leaving the Chancery of the Embassy I had received a telegram from the Department suggesting that I bring several matters to the Prime Minister's attention. I thought it might be well to follow the various suggestions made by the Department before embarking on a more general conversation.

I told the Prime Minister that I had been asked by the Department to inform him that Mr. Acheson particularly appreciated his thoughtfulness in sending his recent personal message³ through Madame Pandit in January. The Secretary would like for him to know that he was always grateful for any suggestions or comments regarding the international situation which the Prime Minister might care to transmit to him either through Madame Pandit or through myself.

³ Presumably, reference is to Prime Minister Nehru's message dealing with the Korean situation; telegram 1171, January 27, to New Delhi, is scheduled for publication in volume VII.

Turning to the international situation I said that the United States deeply regretted the recent attack of Mr. Stalin⁴ on the United Nations. Many of the statements contained in Stalin's recent declaration were not new. Nevertheless, it was unfortunate that he should choose this moment, when all countries outside of the Soviet orbit were endeavoring to find some road towards peace, to issue pronouncements of so provocative a character. Although Soviet leaders for many years had been emphasizing their belief that the world was divided into two camps it did not seem to serve any useful purpose for Stalin to give emphasis to this bit of Communist dogma just now. It seemed to the United States that if the Soviet Government had any genuine desire for peace, it would abandon its aggressive and disruptive tactics in the United Nations; it would order the Communist parties throughout the world, which looked to it for guidance, to desist from their efforts to overthrow non-Communist governments; it would with a single gesture bring a halt to the present military aggression in which Communist armed forces were engaging in Korea and in Southeast and Central Asia. In fact, the attack by Stalin on the United Nations might well pose the question as to whether or not the Soviet Union was planning to embark on some new aggressive enterprise. It would be recalled that the Nazi Government of Germany had launched a similar attack on the League of Nations as a prelude to its campaign for world conquest. If Stalin were not planning an eventual aggression against the non-Soviet world, why should he have said that war was not inevitable at present. He should have said simply that war was not inevitable. Stalin has it in his power to prevent or to provoke a global war. In his protests that the intentions of the Soviet Union were peaceful, Stalin ignored a number of facts. For instance, he did not mention that it was Soviet opposition to the inspection of atomic energy plants throughout the world which prevented the reaching of an agreement several years ago for the international control of atomic weapons. Although Stalin maintained that the Soviet Union had engaged in demobilization since 1945, he did not attempt, during his recent declaration, to present figures to prove that the number of men under arms in the Soviet Union at the present time was less than the men under arms in 1945. It was difficult to know precisely what was going on behind the Iron Curtain. Nevertheless the full extent of demobilization in the United States, the United Kingdom, and in the non-Soviet countries after World War II was known to anyone who might wish to investigate.

⁴ Iosif Vissarionovich Stalin, Chairman of the Council of Ministers of the Soviet Union. Reference is to Stalin's interview of February 16 with a correspondent of the Soviet paper *Pravda*, the text of which is in *Keesing's Contemporary Archives, 1950-1951*, p. 11303.

Turning to Korea, I said that no nation more than the United States deplored the destruction which had been taking place in that country. The United States realized, however, that if the United Nations should allow aggressors to profit by attacks in Korea the Soviet Union would be encouraged to proceed with aggressive designs throughout Asia, and the death and destruction now affecting thousands in Korea could easily involve millions. The United States was earnestly hoping that some kind of a negotiated settlement could be achieved which would not violate the principle of collective action against aggression on which United States foreign policy was based, nor endanger the independence of the small country which the United Nations has been endeavoring to protect against the wanton attack made upon it. No Government would be happier than that of the United States if the Good Offices Committee now meeting in Lake Success could find a just solution of the Korean problem. If the Good Offices Committee should fail, the United States would be prepared to support such steps as the United Nations might take to prevent the Chinese Communists from obtaining strategic materials. It was difficult to believe that any nation which valued its independence and was opposed to aggression could justify selling commodities which would increase the ability of Communists to kill and maim troops of the United Nations.

I then referred to the problem of Germany. I said that my Government thought that it and other democratic nations were practically being forced to re-arm Western Germany because of the Soviet re-arming of Eastern Germany and of the aggressive tactics which the Soviet Government was pursuing in Europe. It seemed to it that the surest way to encourage war was to leave Germany defenseless in the presence of an aggressive power which had already utilized force to obtain control over a number of weak, formerly independent European countries. To leave Western Germany unarmed would be to invite further aggression.

The Prime Minister said that before discussing some of the broader aspects of the international situation he would like to clarify a small matter which one of the statements which I had just made to him brought to his mind. It was his understanding that on a personal basis I had recently approached Sir Girja Bajpai with regard to reports that Indian automobile tires were being sold to Communist China. He did not know whether there was any truth in these reports, but he was having the matter investigated. Tires, particularly truck tires, were in short supply in India; and if he should learn that Indian speculators were buying them up and sending them to China, he would try to put an end to this kind of trade.

The Prime Minister said that he had listened carefully to what I had had to say about the Soviet Union, the situation in Europe, and the situation in the Far East. There was truth in much that I had said. Nevertheless, it seemed to him that the situation was so grave that we must not permit ourselves to rest content with the mere presentation of facts or the submission of evidence regarding the aggressiveness of the Soviet Union or other Communist countries. It seemed to him necessary to analyze the situation in its entirety and to find ways and means of preventing the outbreak of a new world war.

It was his understanding that the United States was of the opinion that the Soviet Union had aggressive intentions both in Europe and Asia; that it also thought that Communism had taken advantage of the internal situations in some countries and the exposed international position of others in order steadily to expand by infiltration, by threats, or by open force; that the United States conceived that in its own interest as well as in that of world peace it must take every appropriate measure to put a stop to Soviet aggressiveness and to the spread of Communism; that the United States considered Soviet aggressiveness and Communist expansionism were intimately connected and to an extent interwoven; that the United States was looking to the system of collective security, as represented by the United Nations, for assistance in the carrying out of its present policies.

I said that his analysis seemed to me to be in general correct. I would like to point out, however, that the United States was not undertaking to prevent any nation which desired to be Communist from becoming Communist. It thought that every nation was entitled to have the form of government which its people wanted. What it objected to was the practice of International Communism of forcing, by terror, threat and violence, free nations to submit to its yoke. The United States believed, I thought, that unless the free nations made it clear that they would collectively and resolutely oppose aggression, Communist or otherwise, committed by either a great or small state, the Soviet Union as the directing center of International Communism would continue to carry on its aggressive policies with a world war as the inevitable result.

The Prime Minister entered into a lengthy discourse regarding the meaning and probable outcome of a new world war. He did not believe that the United States and the other Western powers would be defeated. On the other hand he did not believe that the United States and the Western powers could completely conquer the Soviet Union and China. They might defeat the Soviet and Chinese armies and raze Soviet and Chinese cities and industrial centers but they could not saturate Russia and China with troops. There could, in his opinion,

be no complete victory over the Soviet Union and China unless both countries were occupied throughout by troops of the victors. Obviously there were no armies among the Western powers sufficiently large to make a complete conquest of Russia and China. Chinese and Russian forces could exist for many years in the vast spaces which could not be occupied or policed by their enemies. A new world war, therefore, was likely to continue indefinitely and there would be no absolute victor except hunger, pain and human suffering which would lead to some kind of indigenous Communism in case International Communism should collapse. This situation must be apparent to intelligent leaders both in the Western world and in the Communist world. Since the Western leaders would not like to become involved in a venture which would mean the end of their civilization and the Communist leaders would not like to see their countries ravaged and their own organization wrecked, it seemed logical that the responsible leaders in neither world really wanted a war. The immediate task was to convince each world that the other did not really desire a war and, while endeavoring to find some basis for establishing a *modus vivendi* between the two worlds, to take care that some development or other should not ignite the war which neither side desired.

The Prime Minister said that mutual suspicions might in themselves lead to a world war. If, for instance, the Western world was convinced that the Communist world was preparing aggression and should proceed to arm itself to the teeth to oppose this aggression, the Communist world on its part might decide that it would be better to fight now than to wait until it should be attacked by the fully armed West. Furthermore, limited frictions and disputes which might appear at first to be of an isolated character might develop into a full world war conflagration.

The Government of India, realizing these dangers had been doing its best to convince each of the two worlds that the other was not preparing to attack it. The policy of India in this respect was illustrated by the position it had taken with regard to China. The Government of India did not believe that the People's Government of China had aggressive intentions against any country in Asia. It thought, however, that Peiping was determined to assume full control by force, if necessary, of all the territories which it considered to be a part of China, including Formosa and Tibet. He himself did not for a moment believe that Communist China had invaded Korea because it had aggressive designs against that country. It had intervened in Korea, in his opinion, because it was convinced that the United States was intending to use Korea as a base for the subsequent invasion of China itself. It was his belief that there could be no final solution of the Korean question which did not have the approval of Communist China. He also thought that it would be possible to obtain the

consent of Communist China to "relatively fair" solution for Korea if that solution would be in the framework of an overall Far Eastern settlement.

I asked the Prime Minister what he meant by an overall Far Eastern settlement. What, in his opinion, should a Far Eastern settlement be and what kind of a settlement did he think would satisfy Communist China? The Prime Minister said that, in his opinion, Communist China wanted and should have Formosa; it should be admitted into the United Nations; and it should be treated as an equal by the other great Powers and its view taken into consideration whenever important international questions involving the Far East would arise. He assumed that Communist China would want Hong Kong eventually, but he did not believe that this problem would arise in the foreseeable future.

The Prime Minister emphasized the importance of Formosa. That island was of no value to the United States except as a military base for possible operations against China. I said that there was also a negative aspect of the Formosan problem. If Formosa should fall under the domination of International Communism, it could serve as a base against Japan or the Philippines. The Prime Minister said that it might be possible to work out an arrangement whereby Communist China would undertake that if it was permitted to take Formosa it would establish no bases on the island. Of course, Communist China might not live up to such an agreement after it had once obtained possession of Formosa; nevertheless, risks were involved in every international agreement.

I said:

"Let us assume that the United States would recognize Communist China and support its entry into the United Nations; that it would agree to the occupation of Formosa by Communist China. Would such concessions in themselves represent a Far Eastern settlement? Would not Communist China take the position that until a solution satisfactory to it of the Japanese problem had been achieved there could be no Far Eastern settlement? Furthermore, would not Communist China insist that the only solution to the Japanese problem would be for the United States to withdraw completely from Japan and to leave an unarmed Japan to face an armed Russia and China? If the United States would not consent to this kind of arrangement, is there any possibility of a settlement just now of the Far Eastern problem? Would India like to see Japan placed in such an exposed position?"

The Prime Minister said that he had given some thought to this matter. He must admit that there could be no general Far Eastern settlement without the solution of the Japanese problem. In his opinion, it would be a mistake to re-arm Japan. If the United States should undertake to restore Japan's military power, both the Soviet Union and Communist China would be convinced that Japan was

being prepared as a base for operations against them. The re-arming of Japan would be likely to provoke war rather than to contribute to a peaceful atmosphere. He himself thought that the best solution would be for the United Nations to guarantee Japan against aggression.

In response to several questions which I put to him, the Prime Minister admitted that it might be advisable to permit Japan to have sufficient arms to defend itself until the United Nations would have time to come to its assistance in case it should be the victim of aggression. Since neither Russia nor Communist China desired war, they would not, in his opinion, attack Japan if the latter was protected by a United Nations guarantee.

I pointed out that the Charter of the United Nations was in itself a guarantee against aggression. This guarantee, however, had not proved effective in preventing Korea from being invaded. Unfortunately too many nations took rather lightly the obligations which they had assumed when they signed the Charter. International Communism must have been aware of this fact when it invaded Korea. Unless the members of the United Nations should be prepared to make more sacrifices than they had been willing to make in the past to maintain the system of collective security, the guarantee of the United Nations would not be sufficient protection for an unarmed Japan.

The Prime Minister repeated that he was convinced that Russia and China would not risk a world war by deliberately upsetting a Far Eastern settlement calling for an unarmed, neutralized Japan.

With respect to Germany, the Prime Minister said his feelings about the rearmament of Western Germany were similar to those which he had just expressed regarding the rearming of Japan. He thought it was an extremely dangerous thing for the Western Powers to furnish Western Germany with arms. Such action might well frighten Germany's neighbors to the East and kindle a world war. It seemed to him much wiser for the Western Powers not to arm Western Germany but to use the threat of arming Western Germany as an argument for prevailing upon the Russians to disarm Eastern Germany. Germany could be an unarmed area lying between the Communist and Western worlds. Each world would know that if it attacked Germany there would be a world war. That knowledge would serve as a deterrent.

I did not consider it advisable to turn my talk with the Prime Minister into an argument. As the hour set aside for our interview was drawing to a close I merely thanked him for his frankness in setting forth his views and said that it seemed to me that the basic divergencies between the foreign policies of India and those of the United States stemmed from differences in analyses of the motives of International Communism. India apparently was sincerely convinced

that International Communism had no aggressive intentions and that its motives were primarily defensive. The United States, however, after a considerable amount of experience with the Soviet Union and its associates, was convinced that International Communism was inherently aggressive and that the only reason it was not engaging in undisguised aggression in various part of the world was because it feared that if it did so it would find itself embroiled in a world war with most of the free nations lined up against it. In our opinion, the present policies of the Soviet Union and its associates were directed to disrupting the unity of the free world and to weakening the determination of the free world to resist aggression. If these policies should be successful, International Communism might feel that it would not be too dangerous for it to endeavor to realize some of its aggressive designs.

At this point in our conversation, Sir Girja Bajpai, Secretary-General, Ministry of External Affairs, entered the room with some documents for the Prime Minister to sign. My interview with the Prime Minister, therefore, terminated. The three of us, however discussed for a time the progress of the bill in the United States Congress providing for foodgrain for India. I explained some of the procedures involved. For the first time the Prime Minister talked with me about the Indian need for foodgrain. His questions indicated that he had an active interest in the matter and would like to see the proposed legislation enacted. He did not, however, express any hopes on the subject or any appreciation of the efforts on India's behalf of the United States Government.

611.91/3-1051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, March 10, 1951—6 p. m.

2374. Consult Burton Berry, NEA, re distribution. Memo conversation March 8 between Assistant Secretary McGhee¹ and Prime Minister Nehru follows:

I opened conversation explaining Secretary wanted make clear to Nehru we did not wish present differences of view between India-US centering around problem Communist China affect our basic understanding or impede full consultation with each other on matters common interest. I asked Prime Minister how he assessed present intentions two Communist states. I made clear it was their apparent aggressive intent rather than their Communist ideology which gave

¹ New Delhi was one of Mr. McGhee's stops on a tour of South Asia and the Near East following his chairmanship of the Nuwara Eliya Conference.

us concern. Prime Minister embarked on historical claim proof wars do not accomplish their objectives, but merely lead to new wars.

First World War resulted in second and second raised problem Russian Communism. Russia is what she is today largely because way nations isolated her when young. Same mistake being made today with China. He went on prove undesirability war in terms social and economic chaos created, which, even if Russia were defeated, would leave world easy prey to Communism. I replied we were as thoroughly convinced as anyone of undesirability war. However, we would rather face war than be slave state under Russian domination, which appeared to be Russian objective for whole world. As for threat Communism after war—although this might be possibility, domination of world by Communism appeared be certainty if we did not prepare stop Russians in their immediate objective world conquest. He pointed out impossibility occupying Russia and imposing our will on Russia. I agreed this would be difficult but was not adequate justification for not taking adequate defensive measures.

I pointed out great disappointment of American and present popular reaction against GOI because of their present policies. To us these policies appeared run counter, even seek undermine our own efforts and those other UN nations toward development effective collective security against aggression.

Aggression by Soviets or Communist China or both appeared constitute greatest present dangers world peace, although it has unfortunately taken us as democracy long period become convinced these threats, we are now firmly determined any further aggressive moves will be met by force. We have therefore started rearm on large scale, which means great sacrifices in terms taxes. We have begun build up our military forces, which means normal citizens, many of whom fought in last war, are going into uniform, even though there is nothing they would prefer better than continue lead normal life. We have, in pursuance call of UN, suffered 50,000 casualties Korea. We have made great efforts help arm and train other nations threatened by aggression.

It was, therefore, source great disappointment to us India not only voted against SC resolution condemning China's aggression, but appeared to be actively seeking influence other states toward neutral position in cold war struggle. We felt this trend toward neutralism constituted great danger since it detracted from strength free world which could come through unity. It would appear, moreover, provide encouragement to aggressor states through giving them impression of weakness on part neutral states, and left uncertainty as to whether they were willing or able defend themselves.

Prime Minister agreed Russia had aggressive and expansionist designs. He said he did not feel China had immediate designs on such

nature, since it would take China considerable period consolidate newly-won independence, perhaps decade or so. He dismissed both Korean and Indochina actions as not being clear evidence Chinese aggressiveness, explaining support Ho Chi-Minh ² forces had not yet involved any actual Chinese and any present action is stimulated by fact China has already been branded as aggressor in Korea and consequently has little further to lose. He refused agree there was impending Communist threat to Burma, even though I told him we had evidence this threat and members his own government felt it was possibility.

He explained there was no essential difference between his approach and that other free nations except as to method. He had found, in London, his objectives and those of other Commonwealth countries were same. When I pointed out UK and most Commonwealth countries had since branded China aggressor and were rearming, he observed each country must pursue policies consonance own traditions. It was in Indian tradition they make every effort explore peaceful settlement before resorting war, which repugnant to Indians. He felt those who had reacted to Communist threat by arming themselves and preparing their military forces would provoke war. Existence opposing forces would make it inevitable someone would start it off through some incident. I replied even though we armed ourselves, which I thought we had no alternative but to do in light Russian threat, we would never start war. Our public opinion, as indeed it must be in any democracy, was too much against it. When I asked whether his method negotiation with Communist China had produced results he said it had. It had stopped them from taking all Tibet and had produced reply to cease-fire proposals which, although crudely stated, was close to being satisfactory.

I raised question whether or not responsible government could fail take steps protect its people against threat which, even though discovered, must be considered have some degree possibility, if not probability. Since consequences miscalculation were so great it was grave responsibility assume. He did not respond to suggestion there was any such threat to India. I stated I had always admired strong qualities leadership which he had displayed, not only over India but other countries. In my judgment his greatest contribution world peace, and maybe only way assure there would not be another war, would be lead wavering states into support principle collective security against aggression. Surely this did not mean creation of any "bloc" which we know he dislikes. We are convinced this is only sure way deter aggression or, if it comes, assure victory. He gave no particular reaction this suggestion. He appeared respond suggestion US and

² President of the Democratic Republic of Viet-Nam.

India seek more complete prior consultation on matters common interest, using US-UK consultation as an illustration. He agreed it was better discuss controversial matters between ourselves privately, rather than publicly and in press.

HENDERSON

S91.03/3-1851 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET

Moscow, March 18, 1951—1 p. m.

1678. On March 17 Indian Ambassador Radhakrishnan¹ asked Embassy officer how Indian wheat legislation was faring in US Congress, and reply was given to effect that while no recent info available, indications at time legislation introduced were favorable. Embassy officer then asked Indian ambassador for his views as to why Soviets had not made gesture towards India in wheat matter. Indian Ambassador did not reply directly to this question but instead stated emphatically that GOI had not and would not approach Soviets for wheat because it was aware of the complications and dangers of "getting mixed up with the Russians in a deal of this kind". He went on to say India was fighting communism in its own way and cited recent strong anti-Commie statements of Rajagopalichari. He added that India feared some US elements wished destroy communism by military means now and that India's quest for peace based on probability that all-out war would lead to growth of communism rather than its destruction.

Dept pass Delhi, Karachi, London. Sent Dept 1678; rptd info Delhi 55, Karachi 22, London 299.

KIRK

¹ Sarvepalli Radhakrishnan, Indian Ambassador in the Soviet Union.

S91.03/3-2451 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

PRIORITY

NEW DELHI, March 24, 1951—3 p. m.

2550. 1. Congressional consideration food grain grant being watched tensely by GOI officials and press though few public statements being made. Friends US some who have staked their polit fortunes on favorable US reception GOI request extremely anxious; elements fundamentally hostile or suspicious US becoming more triumphantly cynical; propagandists for Moscow Peking actively criticizing Munshi and other Indian officials (but not Nehru) for looking US rather than Soviet Union and Commie Chi for food; some over-

sensitive govt officials suggesting request for US food grain aid be withdrawn; other officials worried re Indian loss prestige involved and state India never asked for anything more than long term loan anyway.

2. High official Ministry Agriculture told Taylor several days ago in utmost confidence members Soviet Embassy several times hinted possibility GOI could get Soviet wheat on barter basis. Official said Indian stooges for Soviets have been charging GOI officials preferred let people starve rather than import wheat from Russia. One stooge insisted 500,000 tons Soviet wheat available although no figures advanced through official Soviet channels. This official also stated Commie Chi approaches had been similarly vague until Mar 19 when Commie Chi official offered 200,000 tons rice and 200,000 tons corn on barter basis. This offer has embarrassed food officials who fearful if they begin negot Commie Chi will demand commodities useful in war. They worried lest after opening negots they refuse Chi (or Soviet) offers they will be subj criticism grounds they responsible starvation Indian people and if they accept there wld be deterioration relations US. They say that if Congress passes food grain bill within few weeks Commies offers can be harmlessly disposed of by counter offers purchase for cash on terms uninteresting to Commies.

3. Munshi, Food Agriculture Minister, Mar 21 replying question in Parliament said GOI has inquired USSR regarding quantity and terms it could supply food grains but no reply yet recd.

4. Munshi broached subject US food grains the evening Mar 23. He said deeply disturbed at congressional delay. Situation Bihar and other areas deteriorating rapidly. Heavy shipments must reach India from US early May. Could not US use ships taken from moth balls to move food grain already purchased by India and awaiting shipment in US rather than withhold them pending congressional decision re grant. GOI must meet great food grain emergency May, June and July. Especially important that sufficient food grain for rationing purposes reach more remote deficiency areas before monsoons beginning middle June close roads. Munshi declared 2 million tons requested US absolutely necessary prevent disaster.

5. In confidential conversation with Edgar Mowrer ¹ Mar 22 Nehru, according Mowrer, momentarily irritated by remark Mowrer re other aspect US-Indian relations brought up question food grain in fol words: "We too have our pride. Way which you handling our request for grain insulting and outrageous. If we go through centuries poverty and millions our people die hunger we shall never submit outside

¹ Edgar Ansel Mowrer, American writer. A summary of the interview was dictated by Mr. Mowrer at the request of Ambassador Henderson, who forwarded it to Mr. McGhee under cover of a letter dated March 26, not printed (McGhee files, lot 53D468, "H" letters).

pressure." Nehru, however, has not recently mentioned food grain problem to me although during recent days I have had several chats with him.

6. I realize Dept has done and is doing all possible assist Congress understanding urgency action on food grain situation. Further delay may well eliminate much of good will for US which still persists in India and damage our good name for years to come. I am increasingly anxious, as crisis reports multiply, lest serious famine strike various parts India and that regardless subsequent action our part we shall be held responsible because of our present delays. Congressional decision some kind to get more grain moving of utmost urgency so India can have free hand if necessary turn China or Russia.

HENDERSON

891.03/3-2551 : Telegram

The Secretary of State to the Embassy in Egypt

CONFIDENTIAL

WASHINGTON, March 28, 1951—2 p. m.

922. For McGhee from Berry re Amman tel 163, Mar 23 [26].¹ Rptd info AmEmbassy New Delhi 1560 re Embtel 2256, Mar 25.² Status report re Indian Food Grain Bill. House Bill still in Rules Comite. Leadership unwilling bring to floor before House Easter recess in view strong sentiment favoring recommendation minority FonAffs Comite to substitute loan for grant. Hopeful public reaction and current conversations members will turn tide after recess. Nevertheless, in view of urgency, bill may be reported out Rules Comite to floor next week if is possible postpone action on mil draft bill which now sched next order of business.

Senate Comite been waiting House bill. Now agreed proceed Senate Bill, probably Apr 3. Prompt floor action anticipated. Strength sentiment for loan not known but thought less than House.

¹ Telegram 163 from the Legation at Amman, March 26, transmitted the following message from Assistant Secretary of State McGhee:

"I am increasingly concerned, as I assume Department is, at slow progress Indian grain request now before Congress. I am not in possession full facts with regard Congressional situation nor latest info from India; however, I do not believe we can attach too much significance to pressing this request for early action. Action too late, if not too little, will deny us the benefits we should otherwise expect from our response. Failure to act will be confirmation to the Indians of what they have alleged in the past, that we talk as if we want to help them but do not come through. It would appear, too, that there is danger that the impetus of private and Congressional support may dissipate itself with time, so that the hope of securing favorable passage will be lessened." (891.03/3-2651)

² Telegram 2556 from the Embassy in New Delhi, March 25, not printed, requested information concerning the progress of Congressional consideration of aid for India (891.03/3-2551).

Lesser issues anticipated include requirements India lift embargo atomic energy materials as precondition aid, make more burlap available, pay in strategic materials. Dept opposing all. Major issue is loan versus grant. Dept standing on grant on ground essential India have all limited foreign exchange and borrowing capacity available development program. May be necessary make some concession second million tons. Passage as grant, easy long-term loan, or some combination seems likely mid-April.

While plans laid for movement of first one million tons if aid approved, quantity involved plus India purchase program and other US programs place peak burden on inland transport, port facilities and shipping. Maximum movement through ports estimated near 1.5 million tons monthly. USDA will coordinate complex movement to have one million afloat within four months, which means delay in other US programs.

In view congressional delay great emphasis placed on shipment India purchase grain. Nine mothballed ships available by mid-April: 2 to 4 scheduled load Gulf, 5 West coast. Today ECA made available 6 additional ships for East coast loading. As of present, total of 15 ships committed by April 20 for Indian purchase grain. More ships expected later in April.

ACHESON

Editorial Note

At his press conference of March 29, President Truman read a statement urging the prompt passage by Congress of legislation to provide grain for India, emphasizing the views expressed in his message of February 12. The text of the President's statement is printed in the Department of State *Bulletin*, April 9, 1951, page 592.

891.231/3-3051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, March 30, 1951—noon.

2617. For eyes only Burton Berry NEA.

1. Sundaresen,¹ vice chairman Indian Reserve Bank, called on me yesterday for one of his periodic informal chats. Said he had had talk with Deshmukh,² MinFin, preceding day re India's current financial position. Deshmukh told Sundaresen he was in something

¹ Nivarti Sundaresan.

² Chintaman D. Deshmukh, Indian Minister of Finance.

quandary. Although India financial exchange position not easy unexpected improvements taken place during last two months due number factors including increase in price and volume India's export commodities, inability obtain just now certain goods India had hoped import, benign effects Indian-Pakistan trade agreement. Deshmukh was studying India's position to ascertain whether in new improved position it might not be able buy in US additional half million tons foodgrain. If study shld yield affirmative answer he was considering advisability recommending Nehru that since foodgrain was India's most urgent need purchase be authorized. He was wondering, however, whether purchase wld impede or forward efforts thus far made US Govt obtain for India two million tons foodgrain one and half million of which wld be urgently needed any event. On one hand Deshmukh did not wish embarrass US Govt in its efforts, or other he thought if India shld have available fon exchange it shld buy as much grain as it cld. Sundaresen said my suggestion wld be helpful.

2. I replied not sufficiently well acquainted situation Congress have opinion re possible effect purchase. Inclined believe no one cld foretell. If purchase accompanied by proper explanations it might help; on other hand Congress might take attitude that if India had found possibility making this purchase it might eventually find ways make additional purchases. Matter deserved considerable thought. My present tentative thinking was that if on account changed conditions India shld find it possible without unduly injuring its economic position purchase additional foodgrain it wld be right thing for it to do so immediately with appropriate frank explanations regardless effect on proposed legislation before US Congress.

3. Sundaresen said Deshmukh wld probably speak to me re matter in day or two. He wld certainly approach me before taking any action.

4. Wld appreciate any comments or suggestions which Department may be position offer in case Deshmukh shld approach me.

HENDERSON

891.231/3-3151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET

PRIORITY

NEW DELHI, March 31, 1951—2 p. m.

2633. Eyes only Berry NEA.

1. Bajpai asked see me today. Said member Dept had recently informally suggested Mme. Pandit it might be useful just now for Deshmukh or other appropriate Ind official issue new statement re Ind fon exchange position. This suggestion had been discussed by members Ind Govt incl Nehru and Deshmukh and it decided inopportune for

such statement be made just now. Only obvious reason for such statement wld be influence US Congress act favorably on food grain bill. GOI cld not afford before Ind and world public take action which might appear place it in role suppliant. PriMin nevertheless expressed deep appreciation everything Dept was doing help India this crisis and regretted suggestion made with Ind welfare in mind cld not be acted upon favorably.

2. Bajpai said situation deteriorating rapidly and he hoped we wld understand India must look in every possible direction for foodgrain which can be promptly delivered. I considered it preferable not to press him as to what he meant by "every possible direction."

3. I said rumor had reached me that India's fon exchange position considerably better than had been anticipated two months ago and India might be in position purchase sizeable quantity foodgrain US or elsewhere just now for cash. I asked if Deshmukh during conversations had touched on this point. Bajpai replied such rumor had not come to him and Deshmukh had certainly not intimated to PriMin or him any such change in India's fon exchange position.

4. Bajpai expressed appreciation GOI President's additional statement re urgency action on foodgrain.¹

HENDERSON

¹ In telegram 2642 from New Delhi, March 31, Ambassador Henderson made the following additional comment: "In Embtel 2633, I failed include among reasons advanced by Bajpai for decision GOI not to make public statement was that GOI had already furnished US Government all pertinent information re Indian's foreign exchange position. He added it was also prepared answer any further questions which US Government may desire put." (891.131/3-3151)

891.2546/4-251

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Mathews)

SECRET

[WASHINGTON,] April 2, 1951.

Subject: Indian Materials of Atomic Energy Significance

Participants: Representative Durham of North Carolina ¹

Mr. Robert W. Smart, Staff Assistant, House Armed Services Committee

Mr. E. G. Mathews, Director, Office of South Asian Affairs

¹ Representative Carl T. Durham, Vice Chairman of the Joint Congressional Committee on Atomic Energy.

Mr. Mathews called on Representative Durham at the suggestion of Mr. McFall² and after consultation with Mr. Arneson.³

Mr. Mathews explained that the Department was greatly concerned at attempts being made on the Hill to tie the supply of food grain to India to the removal by India of its embargo of the export of certain raw materials of atomic energy significance. The materials involved were beryl and monazite sands.

As regards beryl, Mr. Mathews said that we had a secret agreement with India under which we would receive supplies of this critical material. The first shipment would be leaving India in the near future. The Department was prepared to indicate cautiously that we hoped to receive beryl from India but was unable to make public the existence of the agreement. Both we and the Indians felt that this would be undesirable. Mr. Durham indicated that he was aware of the existence of the agreement. He felt that it would be very helpful in connection with the food grain matter if the agreement could be made public. Mr. Mathews stated that this unfortunately was not possible and suggested that it would be helpful if Mr. Durham and his colleagues on the Joint Atomic Commission could indicate to other members of the Congress that the beryl situation vis-à-vis India need not cause concern.

With respect to monazite sands, Mr. Mathews said that our efforts over the past several years to induce the Government of India to relax its embargo had been unavailing. The Indian embargo resulted from India's desire to have a processing plant established in India as a matter of commercial advantage and from India's long range hope to develop an atomic energy program based on thorium. India had sought unsuccessfully to interest American and British firms in establishing a processing plant in India. Having had no satisfactory response to these approaches, the Indians have turned to the French and have made an agreement with a French firm which had undertaken to erect a processing plant. The agreement provided that all thorium was to remain in India but that the French firm would have the foreign distribution rights to rare earths produced.

Mr. Mathews pointed out that our need for the thorium content of monazite was hardly urgent since the Lindsey Light and Chemical Company of Chicago had hundreds of tons of unrefined thorium and waste material at its plant. As regards the rare earths components of monazite sands the situation was less satisfactory although significant deposits of ores containing these rare earths had recently been found in the United States.

Mr. Mathews said that the Lindsey Light and Chemical Company, which had a legitimate commercial interest in doing everything it

² Jack K. McFall, Assistant Secretary of State for Congressional Relations.

³ R. Gordon Arneson, Special Assistant to the Secretary of State.

could to bring about the import of Indian monazite sands into the United States, was confusing the issue on the Hill by trying to make it appear that an urgent and vital national interest was involved. It was clear from the facts that this was not the case and if the company had been prepared to establish a processing plant in India when it was approached several years ago, we would currently have access to the rare earths in Indian monazite.

Representative Durham indicated that he was familiar with the facts that Mr. Mathews had outlined and that his interpretation of the situation was the same. He favored sending food grain to India and considered it unfortunate that the monazite issue had become involved. Mr. Mathews commented that the Department would be very grateful for anything Mr. Durham could do to persuade his colleagues in the House to see the monazite problem in the proper perspective.

891.231/3-3051 : Telegram

The Secretary of State to the Embassy in India

TOP SECRET PRIORITY

WASHINGTON, April 3, 1951—10 a. m.

1599. Eyes only Amb. Dept believes it clearly understood between US Govt and GOI that GOI request of US was to meet gap between total essential food grain import requirements and imports which GOI was itself able to finance from current fon exchange reserves. If fon exchange position improves GOI wld wish and US Govt wld expect GOI buy grain to maximum quantity practicable.

Dept had such possibility in mind in proposing that supply of food grain be considered in two stages. As you will recall, Cong being asked to provide funds immed for one million tons on grant basis, quantity and terms for remainder to be subj further review in light changing conditions.

Dept assumes Embtel 2617 Mar 30 sent prior receipt Deptel 1560 Mar 28.¹

Dept desires you keep it currently apprised developments.

ACHESON

¹ Same as telegram 922 to the Embassy in Egypt, March 28, p. 2132.

891.03/4-351 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, April 3, 1951—6 p. m.

2666. 1. During talk with Bajpai today I referred newspaper reports offers USSR and Commie China food grains India. I said queries

wld undoubtedly be raised in US and hoped therefore GOI cld let us have some kind of statement re situation which cld be made public. I assumed since GOI had no funds purchase more than four million tons food grain any purchases which might be made from Russia or Commie China wld be to complete four million ton quota and that there wld still be outstanding need for two million tons which India was not in position obtain by purchase or barter. Furthermore I assumed that if GOI wld decide obtain food grain from Commie China or Russia it wld be because factors of price, shipping and prompt delivery would make such purchases from other countries including US more advantageous. Frank explanatory statement might help particularly in Congress. It was particularly important that impression shld not become prevalent in US that India was trying play Commie world and US off against each other in food grain matters.

2. Bajpai said he in agreement and wld immediately take up question with his govt re type of statement to be made. Despite numerous feelers sent out by Commie China and Russia GOI had not inquired re possibility obtaining food grain from those countries until it began to be clear that Congress wld not take action on food grain legislation for considerable length time. India's situation was becoming daily more desperate and it had to have assurances of prompt food grain deliveries. He personally had little hope obtaining in quantity food grain promptly from Russia which desired barter deal and India had little available for barter. India might be able obtain certain amount food grains from Commie China if shipping cld be found and terms cld be arranged. Tentative terms offered by Commie China advantageous although question of kind of currency to be used was not settled. India cld not accept original Commie Chi suggestion of barter. Furthermore problem shipping from Commie China still unsolved. GOI regretted premature publicity which had emanated from Soviet and Commie Chi sources purely for propaganda purposes.

HENDERSON

891.03/4-551 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL

NEW DELHI, April 5, 1951—5 p. m.

2699. 1. Bajpai asked see me today. He referred our conversation April 3 and said he had fol info give me.

(a) GOI had planned import 4 million tons food grain present calendar year and thought it had practically completed arrangements purchased 3.4 million tons. Unfortunately expected Italian diversion wheat of 200,000 tons failed materialize and probably only 50,000 tons wld be reed. Also expected purchase 250,000 tons milo US not thus far completed. Milo prices had become extremely high and GOI under-

stood this amount wld not be available in any event until after two months. There had also been delay in receiving hoped-for rice from Siam and amount eventually recd might fall below expectations. GOI therefore was at present assured of only 3 million tons food grain from abroad and might be compelled buy another million tons to complete four million ton program.

(b) Primary purpose negotiate with Chi was to explore possibility making good part of this million ton deficiency. In view uncertainty ability US furnish additional 2 million tons food grain which India had requested, GOI in order make sure Ind people had at least necessary minimum food grain was also continuing explore possibility making purchases in addition to 4 million tons. GOI must give first priority in all its planning to obtaining food for Ind people.

2. I asked Bajpai if this info was confidential and he replied in negative. US Govt cld make public any or all of it at its discretion.

3. Bajpai added in confidence that price asked by Commie Chi for milo compared favorably with that prevailing in US. Problem still remained however regarding terms and promptness delivery and currency in which payment was to be made. He did not mention Russian offers during this conversation.

HENDERSON

891.03/4-751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

CONFIDENTIAL

NEW DELHI, April 7, 1951—noon.

2728. 1. We hope Dept in studying our recommendations re Deptel 1613, April 4¹ will bear in mind certain differences between situation India and most other countries US has been extending economic aid. With their new independence Indians extremely sensitive at what might seem lack trust in them or for supervision or interference. Altho mass Indians backward economically and culturally, elements controlling govt and policies highly educated with almost razor edge sensibilities. These elements our main target in campaign for friendly mutually beneficial cooperation with India. And what might seem them crass attempts to gain favorable publicity for ourselves with Indian masses or ill-considered efforts safeguard interests Amer tax-

¹ Telegram 1613 to New Delhi requested the Embassy to estimate the number of American personnel which would be required to undertake the following functions with respect to the food grain program: (1) to observe the distribution of grain to insure that there was no discrimination and no diversion to unauthorized uses, (2) to control with Indian Government officials the use of counterpart funds, and (3) to insure adequate publicity. The Embassy was asked whether this last function should be handled under the regular USIE program, augmented as necessary, or whether a separate information group should be established. (891.03/4-451)

payer against machinations untrustworthy Indian officials wld in our opinion alienate these elements and be harmful interests US.

2. We believe India has effective rationing system under supervision honest officials. Most black marketing and other illegal operations in food not thus far connected with distribution system per se. Certain inevitable amount petty under-counter sales and graft uncovered from time to time in lowest levels (ration shops) despite best efforts GOI. Thousands Amer observers cld not greatly change these local situations. We believe therefore that Amer observers shld be limited in number and duties shld be for most part symbolic and of liaison character.

3. Similarly we shld keep to minimum number US officials in India to cooperate with GOI in controlling counterpart funds. One tactful official wld be required soon to act in liaison capacity between two govts in deciding manner in which these funds are to be expended. Initiative re projects shld formally at least rest with GOI altho it shld be understood from beginning that all expenditures must meet US objectives expressed in food aid agreement. There shld be another official who wld engage primarily auditing duties of checking incoming and outgoing flow funds. In view exceptional sensitiveness Indian officials this work shld be carried out with circumspection and not in spirit of detective investigating suspected law breakers.

4. In our opinion it wld be unfortunate for US officials overtly attempt insure adequate publicity in India. This task shld rest primarily with GOI altho doubtless one US official shld be detailed to USIS to cooperate with GOI on this matter.

5. Specifically our tentative recommendations for assignments are: (a) Three officials to observe grain distribution; (b) One official to serve liaison capacity re expenditure counterpart funds and another official for auditing work re counterpart funds; (c) One person for liaison work re publicity.

6. Since only one country and only food grains involved, and in view delicacy this whole operation, we believe these officials for time being shld be assigned to Emb for all India work and shld not this juncture undertake operate as separate ECA mission. Later as situation clarifies, other needs become apparent, and suspicions removed, number cld if found necessary be increased and if considered advisable distinct ECA org cld be established.

HENDERSON

891.03/4-1151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, April 11, 1951—noon.

2776. Our appraisal foodgrain rationing situation near future as follows:

1. GOI must decide restore 12 ounce ration fairly soon. Dissatisfaction growing with nine ounce ration which quite inadequate. Prices outside ration shops have increased to double sometimes treble ration shop prices, as result consumers efforts supplement rations. In Parliament last week two members demanded ration restoration emphasizing two months which Munshi originally mentioned as probable duration reduced ration has already elapsed. We note pipeline stocks approaching 1,400,000 tons as result ration reduction since Jan, seasonal rice procurement and recently accelerated arrival purchased foodgrains which 960,000 tons to April 4 and additional 350,000 expected during April.

2. Munshi stated privately GOI decision restore 12 ounce ration could be delayed little longer. He hopes some kind of favorable action US Congress on foodgrain aid may precede announcement ration restoration. This would give US credit for increase.

3. We confident Chinese will fully exploit their psychological advantage in case increase made in absence passage US legislation claiming their sale foodgrains enabled GOI restore food rationing level.

4. Imminence of inevitable announcement foodgrain ration restoration makes early Congressional action toward enactment food aid bill extremely important. Even if foodgrain at present moving from US is filling all available ships we hope Members Congress realize delay passage legislation is daily strengthening effects Commie and anti-Amer propaganda in India.

HENDERSON

Executive Secretariat Files : 53D444

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] April 12, 1951.

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

ITEM 2.—WHEAT FOR INDIA

I informed the President of Mr. McFall's talk with the Speaker¹ and with the fact that I would appear before the Senate Committee on Monday.²

¹ No memorandum of this conversation with Mr. Rayburn has been found in Department of State files.

² April 16; see the editorial note under that date concerning Mr. Acheson's testimony, p. 2146.

I outlined to the President what I understood his instructions to be on the method of financing the wheat for India. These were:

That the Administration has recommended for the reasons given that this financing take place by a grant. We continue to believe that that is a sound recommendation and that the reasons given for it are valid. The power and duty of deciding this matter lies with the Congress.

The matter of prime importance is that the wheat should go forward in time to prevent starvation. It is of less importance how that movement is financed.

We therefore urge that the Congress should act on the matter, exercising its own best judgment as to the question of financing.

The President says that this is exactly what he has stated to the Big Four.

D[EAN] A[CHESON]

891.03/4-1251: Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, April 12, 1951—5 p. m.

2804. Eyes only for McGhee.

1. Rajagopalachari, after Nehru most influential member Cab and reputedly leader of pro-Amer group in Cab, called me aside during reception last evening for "brief private confidential talk." He said Nehru yesterday afternoon had shown him text of foodgrain bill before Congress and had discussed it point by point. Nehru had expressed himself as deeply disturbed at provisions and Rajagopalachari inclined agree with Nehru that it wld be extremely difficult if not impossible politically for GOI to enter into agreement with US providing for dispatch US special mission or incorporation mission in US Emb for purpose observing distribution foodgrain for participating control use counterpart funds, etc. Indian public so sensitive at any kind for intervention that conclusion such an agreement wld afford opportunity for anti-western elements have field day and might more than offset goodwill generated by gift. Rajagopalachari so disturbed at prospect he personally wondered whether it wld not be preferable for foodgrain to come as long term loan rather than grant. Or wld US Congress insist on observers and supervision also in case long term loan.

2. I expressed considerable surprise at his remarks. Said text various foodgrain bills available GOI for two months. Had assumed Ind Emb Washington had fully reported situation and that in absence objections GOI not averse to provisions in these bills. Informal statements made to Emb during last two months by responsible GOI offi-

cial and even Cab members had caused me believe GOI understood and not unduly concerned at provisions.

3. Rajagopalachari said Nehru told him this matter brought his attention only three days ago and Rajagopalachari realized what Congress might demand only when Nehru showed him copy of bill. He deeply distressed at situation. Looked as though efforts US Govt assist India might result in harm rather than benefit our relations.

4. I said provisions similar to those contained in these bills were to be found in practically every aid agreement extended during recent years to other countries. It wld be practically impossible to persuade Congress to grant funds for use in US or abroad unless there was some kind machinery for making sure these funds were used for purposes intended. These provisions shld not be considered as indications of lack of trust in Ind Govt or officials. They were rather standard requirements applicable to all countries receiving aid from US. Furthermore I was confident there was no intention US Govt send India any high powered missions or special reps in order exercise pressure on India with regard its econ or admin policies. My govt fully realized that two million tons foodgrain represented less than five percent that consumed by India annually and it wld be absurd to utilize gift this kind for purpose of endeavoring interfere in India's food distribution system or in Indian's econ plans. It seemed to me that India's fear or reluctance to enter into routine arrangements of kind provided in bill or bills before Congress cld not be considered as complimentary intentions or intelligence US Govt. Helpful co-op wld be difficult in case suspicious US motives were allowed affect arrangements for extension aid. If India preferred loan to grant on conditions contained in these bills it might be well for US Govt to be informed of situation immed. I hoped however GOI wld consider carefully all aspects including its needs for econ developments before indicated preference of loans to grant.

5. Rajagopalachari reminded me I shld consider conversation as personal and private. He wld like to give matter more consideration and discuss it further with colleagues in Cabinet. He wanted me understand India cld have not objection to US having say in manner expenditure counterpart funds. Agreement re use these funds however cld be achieved through dipl channels rather than thru activities special missions or individuals in India.

6. Although somewhat concerned at Rajagopalachari's reaction which seems reflect Nehru's attitude difficult for me believe his remarks expressive of final views GOI. Shall discuss this matter with Bajpai today without mentioning name Rajagopalachari.

HENDERSON

891.03/4-1451

*Memorandum of Conversation, by Mr. J. Robert Fluker of the Office
of South Asian Affairs*¹

SECRET

[WASHINGTON,] April 14, 1951.

Subject: Food Grains for India

Participants: Madame V. L. Pandit, Indian Ambassador
Mr. B. K. Nehru, Financial Counselor, Embassy of
India
NEA—Mr. McGhee
SOA—Mr. Mathews
SOA—Mr. Fluker

The Ambassador requested a meeting with Mr. McGhee to discuss certain provisions of the House bill to provide food assistance for India, and the bilateral agreement proposed in the event aid is granted.

Mme. Pandit said that she did not know the reason for the delay in her Government's reaction to the proposed legislation and the bilateral agreement, but her Government had instructed her to raise several points to which it objected.

1. The provision that all grain be distributed without discrimination as to race, creed or political belief seemed to reflect on the Government of India's method of distribution and policy.

2. An ECA mission in India would be an infringement upon India's sovereignty.

3. The bill's reference to discontinuance of assistance in the event it is no longer consistent with the foreign policy of the United States, might be interpreted as an attempt to influence the policy of the Government of India.

4. The bill's provision for a United States voice in determining the use of counterpart funds might be construed as giving the United States a voice in all of India's development plans.

5. The language of the agreement seemed to go beyond that of the bill in providing for observation of the distribution of all food grains rather than limiting observation to grains supplied by the United States aid.

Mr. McGhee said that the probable terms of an agreement had been discussed with the Embassy here before the bill was fully drawn. These terms had met with general acceptance and, prior to this meeting, had elicited no objection from the Embassy. Mr. McGhee went on to say that the bill, of course, had not been available until it had been prepared by the Congress. When it had been reported out, the bill had been made available to the Government of India through the Embassy here. Mr. McGhee noted that the Congress determined the language of the legislation and that the first three points raised were

¹ The substance of this conversation was reported to the Embassy in New Delhi in telegram 1679, April 14, not printed (891.03/4-1351).

standard provisions in almost all United States legislation and agreements for economic assistance. Mr. McGhee commented that the bill was friendly to India. Mr. Mathews added that the Congressmen who drafted the bill had inserted only those conditions necessary for a favorable reception in Congress.

Mr. McGhee remarked that the provision for non-discriminatory distribution was in almost all aid legislation and agreements. As a standard provision, it could not be regarded as a reflection on the Government of India.

In reference to the second point raised by the Ambassador, Mr. McGhee said that the provision for a mission to observe was also standard. The language of the bill did not call for supervision by the mission; it was only to observe and report back to the people of the United States. A large number of countries, including Southeast Asian countries which are extremely sensitive on matters relating to their independence, had not found this type of mission an infringement on their sovereignty.

Mr. McGhee remarked that aid given by the United States obviously must be consistent with its foreign policy. This did not mean that the United States was influencing Government of India policy. In this case United States policy was to assist India to feed its people and to maintain stability. Inasmuch as very few people ever read the detailed legal language, Mr. McGhee doubted that this provision would publicly embarrass the Government of India. Mr. Mathews noted that there were constitutional considerations which warranted the use of this approach.

Mr. McGhee assured the Ambassador that United States participation in determining the use of counterpart for development purposes did not extend to development financed by other funds. In the case of the counterpart funds, United States participation was one of consultation and cooperation with the Government of India to achieve the development desired by the Government of India.

Mr. McGhee thought that there must have been some misunderstanding as to the language relating to observation of the distribution. Mr. Nehru noted that once in the distribution system, United States grain could not be distinguished from the other grain. Mr. McGhee said that the Department would review the agreement language relating to observation of distribution. There appeared to be no reason why the agreement should go beyond the language of the bill on this point.

Mr. McGhee commented on the present sentiment in the Congress and noted that attempts now to change these provisions of the bill would raise many doubts and suspicions in the Congress. He asked whether the provisions of the bill created such difficulties that the Government of India would prefer a loan to a grant. In response to

Mr. Nehru's question as to the conditions that might be attached to a loan, Mr. McGhee indicated that this aid in the form of a loan could hardly be considered a straight commercial loan and that in authorizing a special loan the Congress might insert conditions. In any event a straight loan by an international lending agency would require certain conditions relating to observation and participation in decisions.

Mr. McGhee asked if the Government of India thought that the situation warranted making an issue of these provisions at this late date.

The Ambassador said that she would cable her Government immediately for clarification of its wishes in the light of Mr. McGhee's comment.

Editorial Note

On April 16, Secretary Acheson testified before the Senate Foreign Relations Committee that the threat of famine in India was immediate, and he urged passage of S. 872, the bill before the committee. See the text of the Secretary's statement in Department of State *Bulletin*, April 23, 1951, page 674.

891.03/4-1751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET NIACT

NEW DELHI, April 17, 1951—7 p. m.

2879. 1. Saw Bajpai this afternoon his request. He referred to previous convs with me re GOI misgivings re provisions of food grain bill and of proposed food grain agreement and to tel from Madame Pandit setting forth convs same subj with McGhee. Bajpai said after giving matter full consideration in light Madame Pandit's report GOI had decided not complicate situation this late date by pressing for changes bill and had telegraphed Madame Pandit accordingly. Madame Pandit instructed discuss matter further with Dept and to suggest in case bill passes that exchange of letters interpreting agreement be affected between two govts which wld make clear among other things that (a) both govts understood grant had no connection with India's internal or fon policies; (b) personnel sent to India to observe distribution wld not have supervisory functions and wld merely observe distribution grain received as grant; (c) US wld be consulted re use of counter part funds but wld not interfere in GOI's general planning and India wld have decisive role in use counterpart funds.

2. Bajpai did not read instructions to Madame Pandit to me and I made no notes. Therefore (a), (b), and (c) above shld not be considered as accurate paraphrase GOI instructions.

3. Bajpai said Madame Pandit also instructed try prevail on US Government not send special mission but incorporate observers in staff Emb. He added her tel made no ref matter publicity but GOI hoped US wld take moderate attitude this regard.

4. I told Bajpai I doubted Dept cld agree exchange notes of character indicated. It cld not enter into agreement either public or private which might appear not in keeping in letter or spirit with congressional legislation. I thought, however, it might be possible work out some kind exchange which wld meet situation.

5. From Bajpai's remarks am inclined believe Madame Pandit impressed by what McGhee had said to her and had urged that GOI not make issue this late date of provisions bill.

HENDERSON

S91.03/4-1851

*Memorandum of Conversation, by Mr. J. Robert Fluker of the Office of South Asian Affairs*¹

SECRET

[WASHINGTON,] April 18, 1951.

Subject: Food Grains for India

Participants: Madame V. L. Pandit, Indian Ambassador
Mr. B. K. Nehru, Financial Counselor, Embassy of India

S—Mr. Pawley²

NEA—Mr. McGhee

SOA—Mr. Mathews

SOA—Mr. Fluker

At her request, the Ambassador met with Mr. McGhee to present her Government's reaction to points made by Mr. McGhee on April 14 in his discussion with the Ambassador on certain of her Government's objections to provisions in the House bill and the proposed agreement relating to food aid for India. The Ambassador read her Government's cable of instructions which referred to Mr. McGhee's and the Ambassador's previous comments, and set forth the Government of India's reconsideration of its stand in the light of those comments and its

¹ The substance of this conversation was reported to the Embassy in New Delhi in telegram 1717, April 20, not printed (S91.03/4-2051).

² William D. Pawley, Consultant to the Secretary of State.

decision not to press at this late date for revision of the language in question. The cable stated further that :

1. While the detailed language of the law might not be read widely abroad, the people of India would peruse with care the language underlying United States assistance and might misconstrue the intent of that assistance. In order that the bill's reference to United States food aid in furtherance of United States foreign policy should not be construed in India as an attempt to influence India's foreign and domestic policy, the intent of this reference should be clarified in the agreement or, at a time deemed appropriate, in an exchange of notes or in a public statement.

2. It did not appear necessary for the language of the agreement to go beyond that of the legislation in order to conform with the pattern of previous bilateral agreements. The proposed agreement, therefore, need not specify observation of distribution of all grains when the bill provides for observation of distribution of the grain supplied by United States aid.

3. A separate mission in India to carry out United States participation in the program would result in unfavorable public opinion in India. A group connected with the United States Embassy in New Delhi might serve the same function.

4. The Government of India realized that the provisions of the bill and the agreement relating to administration of the expenditure of counterpart funds, applied only to the counterpart generated by United States aid and did not extend to supervision of India's total development plans. The counterpart derived from United States aid should be used in consultation with the United States representatives, but projects upon which it would be expended would be decided by the Government of India.

Mr. McGhee remarked that he was pleased to have the Government of India's views on these matters.

Mr. McGhee said that the language of the agreement need not go beyond the provisions of the legislation. He observed that certain provisions in the bill could be clarified in the agreement which could also indicate that, while consistent with United States foreign policy, United States assistance did not constitute an attempt to dictate India's foreign and domestic policy. Mr. McGhee added that the Senate bill did not specifically relate United States foreign policy to cessation of food assistance.

With reference to United States observance of distribution in India, Mr. McGhee said that he agreed with Mr. Nehru who had pointed out previously, on April 14, that grain supplied through United States aid could not be distinguished from other grain flowing in the ration system. Observation, therefore, could not be limited to United States aid grain. Mr. Nehru concurred.

Mr. McGhee said that a United States mission in India would be necessary so that a report might be made to the people and the Con-

gress of the United States; under the present proposal, a report would be required for Congressional action on the last half of the program. Mr. McGhee stated that the United States group in India must be an Economic Cooperation Administration mission because the ECA would administer the program in the United States and was organized to implement economic aid programs abroad. He observed that the ECA mission would be attached to our Embassy and, in that respect, could be considered a part of our staff in New Delhi. As for the United States voice in the use of counterpart funds, Mr. McGhee commented that the development plans involving the expenditure of these funds would be advanced by the Government of India; the United States representatives would, of course, have the right to point out the inadvisability of any particular expenditure, whereupon the Government of India could advance another project. Mr. Nehru observed that while the United States mission would be concerned only with counterpart derived from United States aid, the mission must have a good knowledge of India's total development plans in order to operate effectively.

Mr. Pawley emphasized the need for a clear understanding of the provisions which must be contained in the legislation and the agreement. He stated that the mission in India would be an ECA mission and would be under the direction of our Ambassador in New Delhi. That mission, he said, would represent the United States in approving or disapproving plans suggested by the Government of India for the use of counterpart generated by the proposed United States aid. He added that the matter of strategic minerals was becoming of increasing importance in the eyes of the Congress and that the legislation might well contain language relating to the use of counterpart funds for the development of strategic minerals; this development would stimulate the Indian economy and supply materials needed for the United States stockpile. Mr. Pawley said that this type of development would be in the mutual interests of India and the United States. Mr. Pawley noted that the Department might be able to make some suggestions on the language to be used in the Senate bill. Mr. Nehru said that there was no question as to the intent of the United States Government but in the light of the Indian people's sensitivity in their new-found independence, the wording of the legislation and the agreement connected with the proposed food aid program was most important.

Mr. McGhee said that he was well aware of the sensitivity of public opinion in India but that the Government of India must recognize the difficulties facing the United States Government in proposing food aid for India. He commented that the legislation was drafted by Congress and that the Department would certainly suggest language

which would take cognizance of the situation in India. On the other hand, Mr. McGhee remarked, the saleability of the proposal in the United States is also a consideration. In the case of the agreement, Mr. McGhee said that the Department would certainly choose the most appropriate language consistent with the wording and intent of the law.

891.03/4-2251 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, April 22, 1951—1 p. m.

2928. 1. Saw Bajpai this morning his request. He outlined substance telegram from Pandit describing last conversation with McGhee re food grain bill and draft agreement. Pandit's account in general similar that in Deptel 1717, Apr 20.¹

2. Bajpai said conversation had indicated it would be difficult Dept make any radical change in conditions of aid. It would seem, for instance that observers may find it necessary observe all distribution since US grain intermingled. I replied this matter did not seem to me so important. Our observers would be men of common sense who wld not try throw weight about. Bajpai said it looked like special mission necessary although it wld be attached to Emb and under direction of Amb. He hoped too much emphasis wld not be placed on special status of mission. I said I was sure US Govt wld select experienced tactful men for this work.

3. Bajpai added it seemed best not pursue matter further for present particularly since status food grain bills seemed fluid. Both Houses Congress appeared more interested in loan than grant. He assumed Congress wld not insist on same degree observation and control over grain obtained by loan as that by grant. GOI was somewhat concerned at tendency members Congress introduce factor strategic minerals. GOI had been making special effort during last two years increase export manganese and was exporting beryl only to US. GOI leaders however likely to balk if they shld obtain impression US Congress was taking advantage India's desperate need grain to exert pressure for more strategic materials. I said our need for strategic materials also very great for purpose not only our defense but that whole free world.

It was not surprising therefore that certain members shld believe that if US shld aid India in its food crisis India shld be willing help US in its strategic materials crisis. State Dept had, however, been

¹ Not printed, but see footnote 1, *supra*.

opposing mention of strategic materials in food grain legislation. It was hopeful that eventually we cld work out arrangements with India for obtaining certain urgently needed strategic materials in friendly spirit mutual helpfulness.

HENDERSON

S91.03/4-2351 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET

Moscow, April 23, 1951—noon.

1850. In conversation with Emb officer Apr 22 Indian Minister counselor Gundevia¹ expressed serious concern about delay in US Legislative action on Indian wheat. He said that even assuming Legis eventually enacted US wheat will arrive too late prevent famine which has already begun in some districts Birar and Madras and on the propaganda side to prevent further deterioration in Ind public attitudes toward US. He opined that if Gallup Poll conducted India today to determine relative popularity US and USSR latter wld easily come out on top.

Gundevia then confided that secret negots now proceeding between GOI and Sov Emb Delhi for acquisition by GOI of 500,000 tons Sov wheat on barter basis. Sovs said to have taken initiative these negots which represent resumption GOI-Sov trade negots in 1949. 1949 negots broke down because of GOI disgust with hard Sov bargaining methods but GOI is impelled by grave food crisis to endure these methods this year. Shellac and tea were mentioned as two commodities figuring in present barter deal. Sovs also wanted rubber but told India had no surplus and in fact had to import rubber. Gundevia stressed that in contrast present US attitude Sovs have not raised question of getting strategic commodities in return for wheat.

In brief ref to comparable negots with Commie China Gundevia said 50,000 tons of Chi wheat already on way to India. He expressed some doubt however that India wld be able obtain significant quantities Chi wheat.

Gundevia concluded by saying present sitn gives Ind Leftists excellent ammunition which they will not fail use in forthcoming elections.

Please protect source.

Rptd info New Delhi 62, London 347, Dept pass New Delhi and London.

KIRK

¹ Y. D. Gundevia, Minister Counselor of the Indian Embassy in the Soviet Union.

891.03/5-151 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, May 1, 1951—4 p. m.

3047. According Ind press May 1, "informed sources Delhi speculating GOI decided not rely on two million tons food aid from US and that considerable stiffening in attitude govt has occurred as result latest US Cong conditions sought to be attached food bill after what they describe as 'extraordinarily tardy and circuitous progress' of measure." Ind press also notes, however, that "while there is section in Parl which thinks India shld not accept Amer offer, even if it materializes ultimately, with so many strings attached, there is no disposition in informed circles to commit govt to any policy of outright rejection at present." (For further summary Embtel 3035 May 1 and full text *Hindustan Times* edit Embtel 3034 May 1.)¹

Nehru scheduled make natl broadcast 8:30 p. m., this evening on Ind food problems. Rumored that he will indicate concern over recent developments food grain legis before Cong.

Last evening at dinner, I asked Bajpai whether Nehru's statement at Bulandshahr (Embtel 3031 April 30)² shld be interpreted as indicating GOI wld not be willing accept US food grain and under term Senate bill. Bajpai somewhat evasive. Said he had not seen Nehru for three days and had not read text Nehru's statements. I discussed matter again with Bajpai this morning. He maintained not yet had chance talk with Nehru and therefore unable make interpretation. I said I sincerely hoped Nehru wld not make additional statement over radio which wld definitely close door to Amer food grain aid, because I was convinced India wld encounter grave difficulties if such aid not forthcoming. Furthermore Nehru wld be doing disservice Amer friends of India if he shld make move which wld result in nullification all their efforts on India's behalf, particularly without letting them know in advance his intentions. Bajpai stated his personal opinion Nehru might touch on Amer food grain aid but wld not take definite position. He thought broadcast wld probably be "pep talk" calling people India not expect so much of outside aid, but depend more upon their own efforts to meet crisis.

Difficult for us to believe Nehru wld go so far just now as to state unwillingness accept Amer aid under conditions such as those set forth Senate bill. Likely, however, he will make some remarks indirectly indicating distaste for some provisions of legis before Con-

¹ Neither printed.

² Telegram 3031 from the Embassy at New Delhi, April 30, reported the Indian Prime Minister as saying in an address at Bulandshahr on April 29 that "India was not so down and out as to accept any conditions dictated by any foreign country in matter of importing food that sullies our honor." (891.03/4-3051)

gress and possibility failure India receive US aid. Nehru from beginning has clearly not been happy about accepting favors from US. He agreed to request aid only because he cld see no other way for India to surmount crisis. He may now be hoping India might be able survive without US aid if procurement campaign stepped up, low rations maintained and controls strengthened and if additional grain can be purchased for cash or barter basis in US, China, Russia and elsewhere. If he has such hopes we convinced they are misplaced.

HENDERSON

891.03/5-251

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Mathews)

CONFIDENTIAL

[WASHINGTON,] May 2, 1951.

Subject: Congressional Reaction to Prime Minister Nehru's Speech of May 1

Participants: B. K. Nehru, Minister, Embassy of India
E. G. Mathews, Director, Office of South Asian Affairs

Mr. Mathews informed Mr. Nehru that reports in the US press of Prime Minister Nehru's speech of May 1¹ and of Indian press comment on the half-grant, half-loan Senate bill for Indian food aid had created the impression in the Congress that India would not accept aid from the United States under the terms of the Senate bill. As a consequence the leadership in both Houses had considered it necessary to postpone floor consideration of both the Senate and House bills which had been scheduled for debate this week. There seemed a strong possibility that even the all-loan House bill would be defeated if it came to a vote in the present atmosphere.

Mr. Mathews went on to say that the Department, on the strength of Mrs. Pandit's statements to Mr. McGhee on April 14 and 18, had informed the Senate Foreign Relations Committee that the terms of the Senate bill were acceptable to the Government of India. Although the Department was not as disturbed by the Prime Minister's remarks as many members of Congress, a doubt had been raised as to his Government's position.

¹ Prime Minister Nehru, in a speech broadcast over All-India Radio on May 1, stated in part as follows: "While we welcome all the help we can get from foreign countries, we have made it clear that such help must not have any political strings attached to it, any conditions which are unbecoming for a self-respecting nation to accept, any pressure to change our domestic or international policy. We would be unworthy of the high responsibilities with which we have been charged if we bartered away in the slightest degree our country's self-respect or freedom of action, even for something which we need so badly." A copy of the text is printed in *Congressional Record*, vol. 97, pt. 4, p. 5739.

Mr. Nehru expressed his awareness of the gravity of the situation. He thought it possible that popular reactions in India after the terms of the Senate bill had become known had impelled the Prime Minister to make the remarks about "political strings" and "conditions" attributed to him. He asked what the Department foresaw as the next step.

Mr. Mathews replied that the Congressional leadership felt that it must have a clarification of the Indian position. In the Department's view, the situation required a public statement by the Prime Minister himself, or by the Government of India with the Prime Minister's specific approval, which would make clear that the Government of India (1) was aware that the Senate bill did not contain "political strings", (2) while not necessarily happy about the terms of the Senate bill, was aware that these were standard provisions in US aid legislation, and (3) would accept grant aid under these terms.

Mr. Nehru indicated that he appreciated the need for action along these lines. His Government would, however, have to give careful consideration to the attitude of the Indian people. In this connection, it would be exceedingly helpful if he could assure his Government that the US Government would make a clear statement at an appropriate time that food aid was not intended to influence India's foreign or domestic policies. This might be done by the insertion of pertinent language in the bilateral aid agreement, in an exchange of letters, or in a public statement by a high US official. Mr. Mathews observed that the aid agreement was hardly a suitable vehicle for such statements, and that an exchange of letters would present difficulties. The Department would, however, be prepared to make an appropriate statement, presumably at the time the aid agreement was signed, in the sense that the provision of food aid was not intended to influence India's foreign or domestic policies.

Mr. Mathews then commented that, as Mr. Nehru was aware, we had no way of knowing whether the Congress would finally adopt the Senate half-grant, half-loan bill, or the House all-loan bill, or some compromise between them. Mr. Nehru observed that in view of this uncertainty and the apparent reaction of the Indian press against the terms of the Senate bill, he wondered whether his Government might not decide that it would prefer credit terms for all the grain as provided in the House bill.

Mr. Mathews said that if this were the Government of India's decision, the Department would, of course, have to change its position of strongly supporting grant aid. The Department's position, as Mr. Nehru knew, was based on the conviction that India's development program would be adversely affected if the Government of India had

to undertake an obligation to repay the cost of the two million tons of grain specially requested from this country. Mr. Nehru commented that the Department's conviction was fully justified, but the political atmosphere in India might make it necessary for his Government to choose a grain loan at the expense of development. Mr. Mathews pointed out that in view of the political atmosphere in the Congress here, it might not be possible to obtain legislation authorizing a loan unless some statement indicating at least an awareness that the United States was not attempting to put "political strings" on food assistance came out of New Delhi.

Mr. Mathews concluded by stressing the importance of removing the present uncertainty as soon as possible—preferably within forty-eight hours. Mr. Nehru said that he would consult with the Ambassador and despatch a telegram to New Delhi later in the day. (He subsequently informed Mr. Mathews that it had not been possible to send the telegram until the following morning.²)

² Another memorandum of conversation by Mr. Mathews, also dated May 2, not printed, described the conveyance on that date to Mr. B. K. Nehru of a revised draft bilateral agreement on aid to India to replace an earlier version of March 9. The new draft was intended to meet as far as possible the suggestions made by the Indian Ambassador in the course of her interviews with Mr. McGhee on April 14 and 18. It also contained changes necessitated by the language of the Senate bill, S. 872. (S91.03/5-251)

S91.03/5-451 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, May 4, 1951—3 p. m.

3082. 1. Discussed contents Deptel 1808, May 2¹ Bajpai yesterday evening. He said no message from Indian Emb Washington on subject as yet received. He considered it preferable await such message before conveying substance our conversation Nehru.

2. Speaking unofficially Bajpai said he confident Nehru wld not and for that matter politically cld not make any public statement incorporating three numbered suggestions in second para Deptel.² Bajpai did not know whether House bill preferable to Senate bill but felt certain in no circumstances cld GOI make public statement outlined suggestion numbered 1.

¹ Telegram 1808 to the Embassy in India, May 2, summarized the conversation of May 2 and added the following comment :

"Ind Emb cabling GOI today urging prompt action. You shld give strong support Emb recommendation impressing on GOI official seriousness situation on Hill and depth Cong concern over Ind intentions re US food aid. You might remind GOI that after exchange of views with Dept GOI acquiesced to terms of original House bill, conditions in which were essentially same as those of Senate bill. On strength GOI statement Dept informed Senate Fon Relations Comite that conditions Senate bill acceptable GOI." (S91.03/5-251)

² See the fourth paragraph of the memorandum of conversation, May 2, *supra*.

3. Bajpai said he unaware GOI had ever acquiesced in terms original House bill and inquired re time and place. I suggested statement made by Mme. Pandit to McGhee April 18 might have been taken mean GOI dropping objections to provisions original House bill. Bajpai said he sorry if misunderstanding had taken place this regard. Instructions to Mme. Pandit were not intended mean other than GOI wld not press for changes in bill at late date. They did not necessarily mean terms House bill acceptable to GOI. He still did not know whether provisions Senate bill which were similar to those original House bill wld be acceptable.

4. During conversation in somewhat personal vein which followed I told Bajpai that reading between lines of Dept's instruction I gained impression members Senate Comite who had spent much time and effort to obtain aid for India must be surprised and possibly hurt that their efforts shld have been rewarded by statements made in Indian press and by Indian leaders intimating they trying attach political strings. I supposed some these Senators who had worked hard and conscientiously on behalf of Indian aid were taking position that unless some kind of statement cld be issued which wld make it clear that PriMin was not referring to their efforts in some his recent statements it wld be impossible for them to take further effective steps on India's behalf. Bajpai replied he quite understood feelings these Senators but cld not see how PriMin cld issue statement of kind desired without making himself look foolish. I said if India preferred loan to loan-grant under conditions stipulated original House bill it shld have made that fact clear last Feb so that three months valuable time wld not have been lost. Bajpai agreed matter had been mis-handled. It had not come into hands MEA until several weeks ago.

5. I again pointed out that any decision GOI against accepting grant on conditions contained in Senate bill might well have effect on econ aid program for Asia which Dept had been considering for over year. If India shld turn down food grain grant because it objected to conditions which were contained in practically all grant aid legislation question wld arise whether India desired being included in general aid program for Asia. Bajpai said he thought GOI realized connection between food grain grant and general program econ aid but in view attitude shown at what appeared to be majority members Congress towards grant aid for India many Indian leaders had lost hope obtaining any econ assistance from US in foreseeable future except under conditions which they cld not accept. He did not share this view.

6. I talked briefly again this morning with Bajpai. He said no word yet from Indian Emb Wash and he still thought it preferable not take up matter with PriMin until after receipt Mme Pandit tel. He

said in utmost confidence he and Deshmukh Min finance were doing utmost persuade PriMin take what they consider wise decision but found themselves facing other advisers who were playing on emotions. I suggested he inform Nehru that if latter wld like see me I wld be glad talk with him. Bajpai said if after talking with Nehru he shld be of opinion discussion between Nehru and me wld be helpful he wld try arrange.

HENDERSON

891.03/5-651 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, May 6, 1951—7 p. m.

3113. Embtel 3082, May 4. Latest info re GOI attitude towards food grain bills.

1. Deshmukh MinFin lunched with me yesterday. I explained situation to him touching upon possible effect Nehru's decision on broader US aid programs which were under active consideration. He expressed deep concern; said it was in his opinion that Nehru shld decide and make clear that conditions in Senate bill did not represent polit strings and did not impugn honor India. He said he wld endeavor obtain aid Rajagopalachari in persuading Nehru take reasonable view matter.

2. I tried arrange chat with Rajaji ¹ but told he completely booked until May 8.

3. Bajpai told me last evening report in Emb recd and was already on Nehru's desk with his recommendation. He had not yet had opportunity talk with Prime Minister who still immersed internal affairs.

4. At Ethiopian reception last evening had tried talk Nehru. Told him I understood important msg on food grain from his Emb Wash awaiting his attention. He said, he, too, so understood but he so tied up in internal problems unable study it. For last week in addition numerous mtgs in endeavor iron out disputes in Congress he had been having daily sessions with chief mins six most important states here for conference. Now he must attend sessions AICC. I said impossible discuss matter at social affair this kind but I did wish impress upon him far-reaching effects which his decision might have not only on way in which relations between our two countries might develop but also upon Ind economy during next few years. I had no desire to urge GOI accept aid from US or to intrude. Nevertheless it might be helpful for us to talk over matter before die was cast and I was at his disposal. It seemed me rather important that he shld be fully informed re all aspects matter before he took action. Nehru said I cld

¹ Rajagopalachari.

be sure he wld not act hastily and if he shld have doubts about any points he wld send for me.²

HENDERSON

² In a personal letter to Mr. McGhee dated May 7, Ambassador Henderson wrote in part as follows: "As of this morning I am inclined to believe that Nehru is trying to find some way to back track so that he can accept aid under the terms of the Senate Bill without losing too much face." (McGhee Files: Lot 53D468: "H" Letters)

891.03/5-751: Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET NIACT

NEW DELHI, May 7, 1951—8 p. m.

3124. For eyes McGhee NEA only.

1. Have just seen Bajpai his request. He said Nehru has made decision re food grain aid and Madame Pandit will probably convey it Dept on May 8 (Embtel 3113, May 6). Nehru plans in response query make statement in Parliament along following lines on May 10:

(a) Bills which were presented to each of two houses US Cong have emerged from appropriate committees in forms somewhat different from originals. House bill seems to provide for supplying India food grain on loan basis. Senate bill apparently provides for supplying on basis half loan half grant. Senate bill attaches certain conditions to aid extended on grant basis. Study of these conditions indicates they are not discriminatory against India and are not of political nature. GOI finds terms both bills acceptable to it. If GOI was to express preference, however, it wld be for House bill since there is always possibility that conditions Senate bill, although not objectionable in themselves, might result in disagreement or misunderstandings. In settling loan GOI willing pay what it reasonably can in materials unprepared, however, furnish materials for use in connection with manufacture atomic weapons.

2. Bajpai outlined above to me without reference to notes and I was not in position to take notes. I believe, however, I have stated general tenor Bajpai's remarks. He impressed on me extremely important no leak prior to Nehru's statement, otherwise wld be extremely embarrassing to GOI and him personally. Bajpai, however, wanted Dept know in advance what Nehru's statement wld be so Dept wld not be caught by surprise and wld have time discreetly to let friends in Cong know that perhaps loan preferable to loan-grant. He was extremely anxious, however, that no one outside Dept shld be informed on Nehru's firm decision or that Nehru was to make statement.

3. I told Bajpai I was relieved learn Nehru wld make it clear he did not consider Senate bill attempt attach political strings or reflection on honor India. Nevertheless, I was disappointed decision was in favor loan. Bajpai said he shared my disappointment. He had

stressed to Nehru GOI's hesitation re conditions attached to grant might have effect upon economic aid program for India and other countries Asia which US officials have been considering for some time. Nehru, nevertheless, was firm in his preference for loan.

4. I asked Bajpai if I shld infer that GOI preference indicated that GOI wld not care to be included in any US economic aid program if conditions were to be attached to grant aid similar to those contained in Senate bill. Bajpai replied in negative. He said that conditions of any economic aid of general character, grant or otherwise, which US might be willing to give India wld be considered on their merits. Fact that GOI preferred loan in connection with food grain aid did not necessarily mean it wld reject grant aid in any general aid program for South Asia.

5. In spite Bajpai's statement, I am inclined believe that we shld not encourage Cong consider any bill for economic aid to India involving grants until we have had firm assurances from Nehru himself that conditions contemplated for extension grant aid wld be acceptable to him. I shall make this matter subject late telegram.

HENDERSON

891.49/5-851

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Mathews)

SECRET

[WASHINGTON,] May 8, 1951.

Subject: Proposed Statement of Prime Minister Nehru with respect to Indian Food Aid Legislation before the Congress

Participants: Mr. M. K. Kirpalani—Minister, Embassy of India
Mr. E. G. Mathews—Director, Office of South Asian Affairs

Mr. Kirpalani reported that according to the latest word received from New Delhi the Prime Minister planned to restrict his initial statement in Parliament to the general thesis that the bills for food aid to India before the Congress did not contain political strings and that they were not discriminatory as against India. The Prime Minister felt that he must include in his statement a reference to monazite sands and related materials in the sense that India would not export materials to any destination for the manufacture of atomic weapons.

Mr. Kirpalani went on to say that it was inevitable that the Prime Minister would be pressed by further Parliamentary questions and would undoubtedly find it necessary to express a preference as between the House and Senate bills. He would in this case favor the House bill.

Mr. Mathews pointed out that the Government of India must make its own decision as to whether it preferred aid from the United States

on a grant or a loan basis. He was not sure, however, whether this was really the issue in the Prime Minister's apparent preference for the House bill over the Senate bill. He assumed that the Prime Minister's preference might be based on the fact that the House bill contained no conditions, whereas the Senate bill contained several conditions. It might well be therefore that the Prime Minister would wish to express his preference in terms of the absence or existence of conditions. Mr. Mathews also pointed out that there was a certain delicacy in the situation arising from the fact that the Prime Minister would be commenting on differences existing between the two Houses of the Congress of the United States, which was in a large measure an internal political matter. In view of this, the Prime Minister might wish to preface any comment he would make as to a preference between the two bills with a remark in the sense that there was some difficulty in commenting upon legislation pending before the legislative body of another country.

With respect to the Prime Minister's intended remarks about prohibiting exports of materials to be used in the manufacture of atomic weapons, Mr. Mathews stressed the fact that monazite sands contained no material of a fissionable nature which was used in the manufacture of atomic weapons. The United States interest in obtaining monazite sands was not so much for their content of fissionable thorium as for the rare earths contained in the sands. These rare earths had many industrial, scientific and defense uses. In view of these facts, the Prime Minister might wish to avoid any specific reference to monazite sands in his comments on prohibiting exports of materials used in the production of atomic weapons.

Mr. Kirpalani said that he would convey the substance of this conversation to his Ambassador and after discussion with her, dispatch an urgent telegram to New Delhi. He inquired whether the Department still desired an early general statement by the Prime Minister, pointing out, however, that the Prime Minister could not make his statement before May 10. Mr. Mathews said that he believed it would be helpful if the Prime Minister could make his statement, as it would remove the uncertainty still prevailing in the Congress as to the Indian Government's intentions.

891.03/5-851 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET NIACT

NEW DELHI, May 8, 1951—1 p. m.

3130. Eyes only McGhee NEA.

1. Saw Bajpai this morning my request. Told him I had given further consideration to information he gave me yesterday afternoon

(Embtel 3124, May 7) and had become concerned lest inclusion by Nehru in his coming statement of reference to GOI unwillingness furnish materials relating to manufacture atomic weapons might not be regarded as uncalled-for criticism US atomic weapon policies. I said I hoped that Prime Minister cld be induced drop this reference.

2. Bajpai said decision Prime Minister taken in consultation with members Cabinet and apparently Cabinet felt more strongly on this point than any other. Both bills provided for transfer by India to US under terms of agreement to be reached between two governments of material required by US as result of deficiencies in US resources. Cabinet felt it only fair that GOI policy re supplying materials used in manufacture atomic weapons should be fully understood by Congress when it enacts legislation. He said he wld be grateful if Department could explain to Members Congress speech had been made reason for inclusion this reference and make it clear that no criticism of US policy was implied.

3. I asked Bajpai if I was to infer no more beryl would be exported to US. He replied negative. Said beryl agreement would be lived up to. I asked about monazite and thorium. He said policy GOI was not to export monazite. He not prepared at moment discuss what policy re thorium wld be. Nehru's statement not intended indicate change in GOI policies but merely to emphasize fact that materials used in manufacture atomic weapons would not be included in any agreement for repayment food grain loan.

HENDERSON

891.03/5-1051 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, May 10, 1951—5 p. m.

3165. 1. Have delayed preparing statement requested Deptel 1800 May 2¹ pending clarification GOI attitude re proposed food grain grant aid. Statement by Nehru in Parl this morning expressing preference loan² renders it difficult me prepare convincing statement with-

¹Telegram 1800 to New Delhi, not printed, requested Ambassador Henderson to prepare a statement justifying economic aid to India in fiscal year 1952 for possible use in Congressional hearings (891.03/5-251).

²Prime Minister Nehru stated in Parliament on May 10 that although the Indian Government would agree to the terms of either the House or Senate bills, it preferred the simpler terms of the House bill, which put the program entirely on a loan basis. Referring to provisions in H.R. 3791 calling upon India to make partial payment for the grain supplied in the form of raw materials, Mr. Nehru stated that India would gladly supply those materials that were available and could be spared, but emphasized that "it is a fundamental part of our foreign policy that such material as is particularly related to the production of atomic or like weapons should not be supplied by us to foreign countries." (India, *Parliamentary Debates: Official Report*, 1951, vol. xi, col. 359) Telegram 1894 to New Delhi, May 12, reported as follows: "Press reports interpreted Nehru food statement to mean Nehru prefers loan. Reaction on Hill

Footnote continued on following page.

out more knowledge than that at present my possession. GOI has not yet asked be included any fon aid program and Nehru's statement might be taken indicate India does not desire grant aid under conditions on which we likely insist. In view our experiences in connection food grain during last 4 months, I cannot recommend attempt be made persuade Cong incl India any aid program for econ development unless Nehru after understanding conditions under which we propose extend such aid, shld assure us in advance GOI needed and desired it.

2. It might be argued India cld be granted extensive loans rather than grants in framework our contemplated aid program. Altho India's fon exchange position materially improved during recent months, we believe this improvement only transitory character and not reflection improvement in basic economy country. We cannot, therefore, support with much conviction any aid program which will materially increase India's indebtedness US altho further loans wld probably be of considerable aid India at present. India wld probably not find it easy to even pay off loan for purchase 2,000,000 tons food grain.

3. In view above, I shall postpone preparation statement suggested until I hear further from Dept. Inclined believe my appearance before Cong comites in present circumstances wld serve no useful purpose and hope Dept can discourage such comites from calling on me.

4. If Dept desires me endeavor ascertain Nehru's attitude re inclusion India in fon aid program, wld appreciate instructions containing appropriate background info.

HENDERSON

Footnote continued from preceding page.

followed this line despite full text which reached them promptly and Senate leaders consider Committee bill impossible passage in view Nehru statement. Senate supporters bill now revising to make it conform House bill, specifying all loan. Bill may come up for Senate consideration Monday, May 14. House bill may be considered later in week." (891.03/5-1251)

891.03/5-1051 : Telegram

The Secretary of State to the Embassy in India

SECRET PRIORITY

WASHINGTON, May 22, 1951—11 p. m.

1971. In view food grain experience urtel 3165 May 10 Dept reluctant recommend Ind aid program Cong without advance assurance PriMin sees need for US aid and willing accept on existing ECA terms and conditions. Summary those contained in ECA bilaterals with Southeast Asia countries follow :

1. Commodities and services furnished wld be distributed on mutually agreed terms and conditions.

2. GOI agree promote sound economic development and cooperate with other countries reduce barriers to international trade.

3. GOI provide detailed info US deems necessary to determine scope and effectiveness operations under agreement.

4. GOI receive special ECA aid mission and wld give facilities needed for observation and review execution assistance under agreement.

5. GOI deposit in special acct up to amts commensurate with dollar costs of commodities, services and technical info granted. Local currency in this acct may be drawn for purposes of agreement as agreed by GOI in consultation with US.

6. GOI wld cooperate by facilitating transfer material actually or potentially deficient in US, on reasonable terms, no less favorable than those given other countries.

7. Full publicity.

8. Upon GOI or US request, enter negotiations for agreement facilitate entry (including duty-free provision) and distribution US vountary, non-profit aid in Ind.

You shld urgently approach GOI ascertain PriMin attitude. You shld point out Dept not now in position indicate what additional terms and conditions Cong may insert in aid bill and not asking PriMin or GOI give advance commitment accept such unknown provisions.

Example is proposed Kem amendment¹ which affects entire structure fon aid. This amendment to ECA supplemental appropriation wld require each aid recipient to certify that they ban exports all potential war materials to Commie areas. Such materials wld be identified on lists prepared by Secy Defense. Implications this amendment will obviously require careful study legislative and executive branches.

FYI only similar query sent Karachi. Pres message Cong re 1952 fon aid expected this week. Cong info booklet re areas of aid due go to press May 25. Wld appreciate response your approach GOI by that date. Results final decision re amt aid to be recommended Cong: Ind \$65,000,000; Pak \$12,500,000; Ceylon-Nepal-Afghan \$700,000. Figures include technical assistance.

ACHESON

¹ The Kem Amendment, Section 1302 of P.L. 45, Third Supplemental Appropriation Act of 1951, approved June 2, 1951 (65 Stat. 52), so-named after Senator James P. Kem of Missouri, provided for a ban on economic assistance to countries exporting strategic materials to Communist-bloc countries. Further documentation is scheduled for publication in volume I.

891.03/5-2451 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET PRIORITY

NEW DELHI, May 24, 1951—6 p. m.

3345. Bajpai was informed last night (1900) immed on receipt Deptel 1971, May 22, that Emb had received instrs ascertain urgently

PriMin's attitude toward econ aid. He asked me call this morning which I did so at 9:30.

I explained that consideration econ aid program had been delayed by slow progress foodgrain aid bill, and had now become matter great urgency for Dept, which was reluctant, in light difficulties with grain bill, make recommendations without advance assurance PriMin's attitude toward need for and terms of aid.

Bajpai immed said that difficulties had not been fault of India. As for need of aid, he had always said to Amb that India needed and wanted US aid, but "without strings". I replied that established fon aid procedure in US was "ECA procedure", which we did not regard as involving "strings". Dept wished to know whether PriMin wld be willing accept aid on ECA terms and conditions contained in agreements with SEA countries. We wished be sure that PriMin understood these terms and conditions, as well as some of principal motivating considerations behind US policy in making econ aid available to fon countries, as well as our reasons for favoring grants rather than loans in many cases.

Bajpai read me PriMin's (loaded) schedule for day and said he doubted although he appreciated urgency, that Nehru cld be reached today. Wld I give him list of points on which answers needed, together with supporting observations. I agreed submit summary of ECA terms and conditions, but said I preferred oral to written explanations on such matters. Bajpai agreed arrange earliest possible appointment with PriMin.

Summary of points was supplied Bajpai before noon. He advised this afternoon that appointment likely be tomorrow rather than today. He understands answer desired tomorrow.

STEERE

891.03/5-2551 : Telegram

The Chargé in India (Steere) to the Secretary of State

SECRET PRIORITY

NEW DELHI, May 25, 1951—8 p. m.

3362. ReDeptel 1971, May 22 and Embtel 3345, May 24.

1. PriMin informed me today fol 75 min conference that India needed US econ aid, that he was most anxious to have it and that he wld be willing accept such aid on existing ECA terms and conditions as summarized in Deptel 1971, May 22. We went over these terms point by point and I explained them as best I cld on basis experience and info available here. Nehru raised objection to no single point although he made slightly wry face on Point 7 (full publicity).

2. PriMin was interested in special ECA mission re activities personnel, etc. I assured him staff wld consist primarily of technicians and experts whose major functions cld be consultation, observation

and review execution of assistance. He wondered whether any experts wld be expected supervise or take charge industrial plants which might result from aid program and seemed relieved when answer was in negative. I gave him list showing number offices presently assigned ECA missions in SEA and smaller and medium missions Western Europe explaining that countries which had recd large volume aid such as UK, France, Greece etc. naturally had larger staff. His concluding remark was that he assumed there might be minor irritations in relations with such staffs but nothing that little patience and good will cld not iron out. Calibre and understanding of chief of missions wld be most important.

3. Main preoccupation PriMin was that Ind acceptance of US aid within framework of SOA or wider econ aid program wld not be taken to imply, either by US Govt or by Ind people, that he and GOI had thereby committed themselves directly or indirectly to some modification of domestic and fon policies which govt has heretofore pursued, and wld now be identified more closely with fon policies of US. This was important to India which desired maintain its complete independence in that respect. He very much hoped that India and US wld develop closer and friendlier relations but if any change in Ind policies shld develop it shld come about thru evolution in views of Ind people.

4. I replied that Amer Govt as I thought he was aware had repeatedly indicated that econ aid was not being accorded foreign countries with any idea exerting pressure upon these countries to change their policies internal or fon. We naturally hoped such aid wld lead to improved econ conditions in recipient countries and to better US relations with those countries and that these better relations wld in course time lead to closer identity of views and policies. Nehru accepted remarks as in line his own views.

5. He then inquired as to whether aid promised to any country might be withdrawn in event that country shld adopt or pursued domestic or fon policies which US Govt did not like. I gave my opinion that aid wld not be withdrawn in such a case unless govt of recipient country shld adopt or pursue policies diametrically in conflict with bilateral agreement. It was of course possible that a recipient country's fon policies might incur Congressional displeasure with result that no further appropriation might be voted. Nehru replied that that was obviously entirely prerogative of Cong and recipient country cld have no valid objection.

6. Nehru also inquired as to whether ECA mission, as hypothetical case, might object to Ind execution from own or non-US resources of industrial project which wld not be approved for financing from ECA funds. Nehru seemed entirely satisfied by my reply to effect that such problems wld normally be ironed out by consultation but that

in last analysis ECA cld hardly object to GOI execution such project unless it wld conflict with other agreed projects.

7. Relation of SOA program to Colombo plan¹ was raised by PriMin. I replied that close coordination was contemplated re any projects developed under Colombo plan although identical countries were not involved.

8. PriMin was in friendly and talkative mood and I left after detailed discussion (including other matters) with definite impression that he was prepared have GOI cooperate actively in proposed econ aid program.

STEERE

¹ The Colombo Plan, a report published on November 28, 1950, by the British Commonwealth Consultative Committee on South and Southeast Asia calling for the economic development of the area.

S91.03/6-651 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, June 6, 1951—1 p. m.

3524. 1. During talk June 5 with Deshmukh FinMin he expressed deep appreciation efforts US Govt assist India in obtaining food grain on credit, pointing out both food and credit wld be extremely helpful just now.

2. I asked how GOI proposed use funds obtained from sale food grain purchased on credit. He said plans were to add funds to budget. Ind budget broken into two categories—revenue budget and capital budget. During fiscal year ending Mar 31, 1952 in spite best efforts GOI it looked like combined budget wld have shown deficit of approx 500 million rupees. This deficit wld have been due to deficits in capital budget since there wld probably have been slight surplus in revenue bndget. GOI wld have had no choice than to pay deficit out of govt cash balances accumulated during war years which, because of recent withdrawals, already dangerously low. Now anticipated sale of US grain shld yield between 700 and 900 million rupees which if added to combined budget wld result surplus several hundred million rupees. GOI intended continue efforts obtain favorable balance revenue budget but wld probably spend more in capital budget than originally anticipated. These funds wld be invested with care in order insure increases natl production particularly food and eventual repayment to GOI. Number of projects which GOI had been compelled postpone because lack rupees; some of these cld now move forward at once. One advantageous fact of food grain sale wld be deflationary effect which badly needed.

3. I referred to possibility US might be able during US next fiscal year give certain amt ECA aid. Deshmukh said he and Nehru had

discussed this matter at length and he greatly pleased PriMin had finally decided India shld accept aid this kind if it cld get it. Nehru's greatest concern had been lest public in India and other countries might gain impression that in accepting aid from US under ECA terms GOI was in some way changing its fon policy or was under some kind legal or moral obligation to make such change. Nehru was finally convinced that advantages accruing to India from econ coop this kind with US wld outweigh any unjustified criticisms that GOI was altering its fon policies.

4. I told Deshmukh that if Congress shld enact legislation authorizing ECA aid to GOI amt to be devoted to India might not appear large when compared to what had been spent on various Eur countries under Marshall Plan. I wld not like for GOI build up great expectations and be disappointed. Deshmukh replied it might be just as well if at least for first year amt wld not be very large. After US and India had become accustomed work together economically and had established mutual confidence more might be done. In response my question he said that some of funds derived by GOI from US food grain might advantageously be used as rupee support for dollar expenditures which might be made under broader US econ aid program. In any event GOI did not intend act hastily in deciding how this rupee windfall wld be spent.

HENDERSON

691.93B/6-751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY NEW DELHI, June 7, 1951—7 p. m.

3541. [Here follows a discussion of the Sino-Tibetan treaty of May 23, 1951, and of a radio broadcast from Sofia.]

3. We do not believe we wld be justified regard Nehru's stated willingness accept US grant aid as appreciable change in degree his friendliness towards US.¹ We think it does indicate his advisors, particularly Bajpai and Deshmukh, have persuaded him that GOI must make economic progress if India to have polit and econ stability and econ progress impossible without US econ aid and cooperation. Dept will recall Nehru permitted himself be persuaded 1949 indicate his desire for million tons US wheat and was sharply resentful both with advisors and US when he got nothing. Similarly with much hesitation he agreed allow GOI asked for 2 million tons food grain some six months ago. His advisors then thought this meant he had

¹ This portion of the telegram was in response to a question in telegram 2048 to New Delhi, June 2, not printed, as to whether the Embassy believed Nehru's apparent willingness to accept an aid grant from the United States reflected any change in degree of friendliness toward the United States (691.00/6-251).

finally decided on policy closer economic cooperation with US. Delays and criticisms of India and self-encountered during consideration this request, made him again irritated with his advisors and with US Congress and press. His irritation this time not directed against executive branch govt as in 1949.² Highest officials GOI with whom I have discussed matter in confidence say Nehru showed great reluctance agree to acceptance US aid on ECA terms but when he finally capitulated did so with good grace. They think his agreement of great significance in that he has come around for third time to view India needs economic cooperation US. Does not mean his general attitude towards US will undergo marked change at least for time. He likely continue on occasions make remarks sharply critical American way of life and US governmental policies. Nevertheless they hope if US economic assistance is extended in manner which would not irk Nehru or his advisors his unfriendly attitude toward US might gradually change. Much will depend on kind of personnel ECA sends to India and instructions under which they are working. If officials administering US aid take attitude they know better than Indians what India needed and try to decide for India course its economic development US economic aid program for India might injure rather than strengthen relations. On other hand, tactful aid officials who show respect for GOI point of view and desire to cooperate rather than dominate might do much to remove suspicious US motives which still exist.

Factors other than economic aid will of course also continue influence attitude towards US. His resentment against both UK and US over their policies re Kashmir is rather deep and may become deeper if US and UK continue firmly adhere their present position in SC. Similarly PriMin still unhappy about our Far Eastern policies although recently he has been inclined to be somewhat more reserved in his comments with regard to them. We have impression he is not so confident as formerly that if only US would be more reasonable he could find formula for general Far Eastern settlement.

HENDERSON

² For documentation on Nehru's views in 1949 and on his visit to the United States in the course of that year, see *Foreign Relations*, 1949, vol. VI, pp. 1686 ff.

891.2311/2-851

The Secretary of State to the Indian Ambassador (Pandit)

WASHINGTON, June 19, 1951.

EXCELLENCY: I have the honor to refer to a Note from the Chargé d'Affaires *ad interim* dated February 8, 1951,¹ and to subsequent con-

¹ See the editorial note, p. 2112.

versations between Your Excellency and officers of the Department of State concerning the exceedingly difficult food situation in India and the request of the Government of India for *ad hoc* assistance during 1951 to obtain two million tons of food grains on special and easy terms.

I am gratified to inform Your Excellency that the President signed on June 15, 1951, an Act of Congress, a copy of which is enclosed,² authorizing the Administrator for Economic Cooperation to provide emergency food relief assistance to India on credit terms. The maximum amount of credit that may be utilized for this purpose is \$190,000,000 (the previously estimated cost of providing two million tons of grain free on board ship in United States ports) as specified by Section 4(c) of the Act which provides:

"The assistance provided under this Act shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought and other conditions existing in India in 1950."

I invite Your Excellency's attention to two supplementary provisions of this Act. Section 6 enables the Administrator for Economic Cooperation to use additional funds available through June 30, 1952, to defray ocean freight charges on relief packages and supplies sent to India by private individuals and United States voluntary non-profit relief agencies. This provision will become effective if Your Excellency's Government will undertake, in an appropriate bilateral agreement, to permit the entry of these packages and supplies free of Indian customs duty and to pay the costs of handling and transportation in India. The assumption of these costs by our two Governments would enable United States voluntary relief agencies, which have desired to be of greater assistance to the Indian people, to expand their programs. The Department of State and the Economic Cooperation Administration would welcome early negotiations with the Embassy to this end.³

Section 7 of the Act sets aside not more than \$5,000,000 of the interest payable by the Government of India between December 31, 1952

² See P.L. 48, 82d Congress, India Emergency Food Aid Act of 1951, 65 Stat. 71. S. 872 had been passed by the Senate and presented to the President on June 12. For the President's statement on signing the bill, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, p. 338, or Department of State *Bulletin*, July 2, 1951, p. 37. On the appropriation of funds, see P.L. 70, approved July 1, 1951, 65 Stat. 113. See also the President's proclamation of June 19, 1951, authorizing the activation and operation of vessels for transportation of supplies under P.L. 48, 65 Stat. c19.

³ For the text of the agreement between the Government of the United States of America and the Government of India for duty-free entry and defrayment of inland transportation charges of relief supplies and packages, July 9, 1951, see *United States Treaties and Other International Agreements (UST)*, vol. 2 (pt. 2), p. 1483. By this agreement, the Government of India was to admit without duty relief supplies donated through U.S. voluntary nonprofit relief agencies qualified under applicable regulations of the Economic Cooperation Administration.

and January 1, 1957, for the use of the Department of State in promoting cultural interchange between the United States and India. This provision will facilitate the interchange of students, professors, other academic persons and technicians, and of books and equipment for higher education and research. The first part of the funds set aside under Section 7 will become available with the initial payment of interest.

Accept [etc.]

DEAN ACHESON

511.91/7-3151

Memorandum of Conversation, by Mr. S. Shepard Jones of the Bureau of Near Eastern, South Asian, and African Affairs

SECRET

[WASHINGTON,] July 31, 1951.

Participants: S—Mr. William Pawley
P—Mr. Edward W. Barrett ¹
NEA—Mr. George C. McGhee
SOA—Mr. Donald D. Kennedy ²
NEA/P—Mr. S. Shepard Jones ³

Problem: Discussion of the USIE program in India.

Action required: Review of USIE India operations.

Action Assigned to: NEA/P.

Mr. Pawley referred to his recent mission to India ⁴ and said that he had gained some over-all impressions of the effect of the USIE program there which he had thought would be of value to the officials concerned in the Department, although this had not, of course, had anything to do with the purpose of his trip to India.

He offered the following comments:

- (1) American propaganda in India is not sufficiently subtle.
- (2) We are trying to "sell" America rather than show American interest in Indian problems and Indian traditions, although this is being done to some extent.
- (3) We should work more through indigenous channels.

Mr. Pawley said that Mr. Dutt,⁵ an old-time civil servant and now the ranking permanent official of the Indian Foreign Office, had told him, reluctantly and in confidence, that American salesmanship methods were not the way to win in India and that he did not think that expanding the USIE program would result in more friends for

¹ Assistant Secretary of State for Public Affairs.

² Acting Director of the Office of South Asian Affairs.

³ Officer in charge of public affairs staff, Bureau of Near Eastern, South Asian, and African Affairs.

⁴ Mr. Pawley's mission dealt with U.S. assistance programs and with acquisition of materials for use in the U.S. atomic energy program, documentation on which is scheduled for publication in volume I.

⁵ Subimal Dutt, Secretary, Indian Ministry of External Affairs.

the United States in India. Dutt said more finesse and less sheer weight was needed, and he alleged that his views were shared by other Indian officials who were friends of the United States. It was Mr. Pawley's impression that Dutt was most concerned with the Information program.

Mr. Pawley said he was convinced that skillful diplomacy and propaganda on our part could, given time, put India on our side in the cold war.

Mr. McGhee discussed the difficulty of doing business with Nehru and of Nehru's dissent from our policies, especially with reference to the Far East and development of collective security. Mr. McGhee stated that it was understandable that Nehru would not welcome an expansion of American propaganda in India in view of the divergence of the policies of the two countries. He added that none the less America's interests may well be served by a propaganda effort which was not entirely pleasing to Nehru himself. He stated that many Indian officials of high rank did not share Nehru's foreign policy and this was a factor to be kept in mind. While Mr. Pawley agreed that Nehru was a difficult man to deal with, he felt that a more skillful approach was called for. He thought we could succeed with the Indian people, even if we could not succeed with Nehru; but, that given time, we could even succeed with him.

Mr. Barrett then read our objectives as defined in the USIE country paper. After hearing these objectives, Mr. Pawley agreed with them 100% but felt they were not being adequately implemented. Mr. Jones emphasized that our program in India has changed in recent months and that more subtlety had been introduced into it. He referred to improvement in recent issues of "The American Reporter" and of the decrease in straight Americana, with greater stress upon America's interest in India and its willingness to be helpful. He defended use by USIE of stories on Washington and Lincoln in the celebration of July 4, emphasizing that we felt it important to draw appropriate attention to great American leaders who best represented the moral and spiritual qualities of the American people. This type of propaganda tended to meet the criticism that America was merely a commercialized, mechanistic civilization.

It was pointed out that the Department agreed as to the wisdom of undertaking certain types of information activities through indigenous organizations and individuals, particularly our anti-Soviet propaganda.

In response to Mr. Pawley's comment that the India program appeared to be too large, especially the number of officers preparing press releases and other written propaganda, Mr. Jones referred to other phases of the program including the Exchange of Persons pro-

gram, the Library and the Motion Picture program. Mr. Pawley endorsed the library and certain other phases of the program.

Mr. Pawley observed that in his opinion it might be better to move the USIE headquarters from Delhi to Bombay, where a large group of Americans would be less conspicuous, but Mr. Jones observed that there were limits to such a move inasmuch as the Ambassador would naturally wish to control USIE operations and that policy control could be more readily effected in Delhi. Mr. Jones referred to present plans for distributing our personnel in India so as to reach more people in provincial cities and also to avoid over-concentration of personnel in Delhi.

Mr. Barrett emphasized that for some time he had been concerned with improving the India operations, by obtaining additional top level personnel for the program, but that it had not been easy to locate high level leadership. Mr. Barrett emphasized that the Department was determined to improve the quality of USIE personnel in India.

CFM Files : Lot M-88 : WFM British and French Talks

*Paper Prepared in the Bureau of Near Eastern, South Asian, and African Affairs*¹

SECRET

WASHINGTON, August 30, 1951.

MEANS TO COMBAT INDIA'S POLICY OF NEUTRALISM

Problem

Mr. Nehru's foreign policy of "neutralism" militates against the achievement of collective security and therefore, in final analysis, is favorable to the Soviet Union. The Indian decision not to sign the Japanese Peace Treaty² is the latest manifestation of Mr. Nehru's "neutralism".

US Objectives

We seek to convince India that neutralism is a danger to India's existence as an independent country, and hinders progress toward a free world order based on law and the peaceful settlement of international disputes; and that collective security and closer association with the non-Soviet countries, far from increasing the possibility of India's becoming involved in war, are the best assurances that it will not.

¹ Prepared as a briefing paper for the meetings of the Foreign Ministers of the United States, the United Kingdom, and France, held in Washington, September 10 through 14. In the records of the meetings the paper was designated as document WFM B-2/4. Minutes of the meetings of the Foreign Ministers are scheduled for publication in volume III.

² For documentation on this subject, see pp. 777 ff.

Probable UK Position

In general the UK position coincides with our own. However, the UK is at special pains to avoid becoming a party to major issues with India and otherwise to do nothing which might harm UK-Indian relations and increase the likelihood that India will withdraw from the Commonwealth; and there is no clear evidence that the UK has entirely abandoned hope of establishing normal relations with the Chinese Communists—a hope to which Mr. Nehru continues to cling. We suspect, therefore, that the British Government is prone to be more tolerant of the Nehru aberration than we are.

US Position Which Should Be Presented by the Secretary

1. We believe Mr. Nehru conceives his policy as one which will both enhance India's pretensions as an arbiter of peace in Asia and insure that India will not be drawn into a new world war. We believe Nehru at heart realizes that India's interests lie in close association with the UK, US and the non-communist countries, and we have reason to believe he is becoming increasingly fearful of Chinese Communist intentions toward other Asian countries. Yet he considers that an unreserved and unequivocal association with other non-Soviet states will put India in a subordinate position vis-à-vis the US and the UK, and limit thereby India's ability to play a pivotal role in Asian affairs. There is danger that other governments in Asia may be persuaded of the validity of "neutralism" although they may be even more vulnerable to subversion or attack than India and may not have the same close relations with western countries which India actually has with the UK. We recognize the importance of India's remaining in the Commonwealth and of doing what we can to this end.

2. In the long run an effective means of combatting Indian "neutralism" lies in increasing the capacity of other non-communist Asian states to exert influence and leadership in building collective security. Success in this objective would presumably result in a commensurate limitation on the ability of Mr. Nehru to maintain India as the pivotal Asian state between what he regards as the "two power blocs". This objective is in part the basis of the economic and military assistance which the United States is currently giving various Asian countries.

3. For the present, however, we believe special effort should be made to expose the error of India's foreign policy of neutralism. We believe it should be our purpose to convince Nehru and those who have adopted his approach, that collective security measures can be applied not only to small powers which may have aggressive designs, but also to large powers, and that collective security is best calculated to give Mr. Nehru what he seeks, i.e., a period of peace in which India will have time to develop, and to solve some of its pressing domestic problems.

4. We should emphasize to the other countries of South and South-east Asia which are even less prepared to resist subversion and aggression than India—particularly those inclining toward neutralism—the importance of collective UN security against aggression.

5. We have instructed our diplomatic representatives in South Asia to make a special point not only of defending our policies but also of countering or refuting notions held by Indians or others which give rise to the concept of neutralism. Since neutralism is damaging to our joint interests, it might be desirable for the UK and other countries which are concerned by India “neutralism” similarly to instruct their representatives abroad.

We would be interested in knowing British views in this regard and in learning how they think this general problem can best be dealt with.³

³ There is no indication that the subject of this paper was formally discussed at the meetings of the Foreign Ministers, although the Kashmir dispute was briefly considered at the meeting of September 10. See p. 1837.

INR Files

*Memorandum by the Central Intelligence Agency*¹

SECRET
NIE-23

[WASHINGTON,] 4 September, 1951.

NATIONAL INTELLIGENCE ESTIMATE²

INDIA'S POSITION IN THE EAST-WEST CONFLICT

THE PROBLEM

To estimate India's present and probable future position in relation

¹ A note on the source text reads as follows:

“The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 30 August.”

² Instruction No. 38 to the Embassy in New Delhi, dated October 1, which transmitted a copy of NIE-23 for information, read in part as follows:

“This National Intelligence Estimate (NIE) is one of a series of high level intelligence estimates recently initiated and drafted jointly by the Intelligence Agencies under the coordinating leadership of the Central Intelligence Agency (CIA). Each NIE is reviewed and approved by the Intelligence Advisory Committee (IAC) composed of the Director of Central Intelligence (Chairman) and the Chiefs of Intelligence of the Departments of State, Army, Navy, Air Force, Joint Chiefs of Staff, the Federal Bureau of Investigation, and the Atomic Energy Commission. NIE's are published by the CIA and distributed to the President, members of the National Security Council and a very limited number of other high officers of the Government.

“The NIE's differ from the estimates previously issued by the CIA in that

to the East-West power conflict, short of the outbreak of global war.*

CONCLUSIONS

1. India is presently determined not to commit itself to either side in the East-West conflict. This determination has of late resulted in a tendency to appease world Communism and in failure to support the West in its program of combatting world Communist aggression.

2. India's policy is unlikely to be changed in the near future by further Soviet aggressive moves in Europe or the Near East or by advance of Communist power in Southeast Asia.

3. Communist aggression against Burma, the principalities along the Indian border, or India itself, would probably lead the Indian Government to seek military aid from the West.

4. Continued deterioration of the Indian economic situation might in time enable the Indian Communists, especially if supported by the Chinese Communists, to seize control of the government.

5. The threat of Communist domination of Southeast Asia is already serious. Communist control of India would almost certainly result in Communist domination of the area (including Indonesia). Neutralism in Iran, the Arab Middle East, and the Philippines would be greatly encouraged.

6. India probably cannot by its own efforts and means stop its economic decline. Substantial outside assistance over several years might check the decline.

DISCUSSION

India's Foreign Policy

7. The present Indian Government is determined to maintain an independent position in the East-West conflict, despite its predominant economic and cultural ties with the West and despite its opposition to Communism within India. Its determination to avoid a commitment to the West is based on the following major considerations:

a. India's leaders are jealous of India's newly won freedom of action and therefore oppose any arrangement which might entail foreign interference or foreign entanglements. They believe that India is not now a likely target of Soviet or Chinese Communist attack and

they represent, in all stages of their development and preparation, the collaborative effort of the various intelligence agencies. Thus the NIE's do not present CIA opinion with merely the concurrence or dissent of the Departmental intelligence agencies, but instead present the coordinated expression of the several Departmental points of view on the problem at issue. Consequently, unless noted by a dissent or otherwise, these papers may be assumed to represent the coordinated intelligence view of the United States." (691.00/10-151)

*This estimate does not consider the effect on India's position of an outbreak of war between India and Pakistan. The effect of such a development is to be considered in NIE-41, "Probable Developments in the Kashmir Dispute to the End of 1951." [Footnote in the source text. For the text of NIE-41, see p. 1850.]

that a military alliance with the West would only involve India in quarrels in which it has no direct interest. They fear that such an alliance might even invite Soviet military attack in the event of a general war.

b. These leaders are strong advocates of Asian nationalism and are reluctant to associate themselves with what they regard as the forces of colonialism. They believe that the Western Powers are bent on preserving their influence in Asia regardless of the interests and desires of the Asians. These suspicions of the West are reinforced by desire to have India itself assume a role of leadership in Asia and by irritation with Western efforts to secure a UN solution of the Kashmir dispute. Much of India's old antagonism for the British has been transferred to the US now that the UK has granted India independence.

c. Nehru in particular feels that Western militancy in the face of Soviet expansionism is both dangerous and morally wrong. He fears that Western efforts to check the USSR may plunge the world into general war and thus deny India the period of international peace and stability which it desperately needs in order to build up its own economic and political structure. He believes that India can most effectively work to preserve peace by serving as a mediator.

8. In practice, India has not only taken pains to dissociate itself politically from the West but has also demonstrated a strong tendency toward appeasement of the Communist bloc. Nehru concedes that the USSR is an aggressive and expansionist power, but he argues that Soviet expansionism should be checked primarily by preventing the development of "revolutionary situations" which invite Soviet intervention, rather than by the development of military defenses against the USSR. He has also argued against a militant attitude toward Communist China because of the conviction that Mao's victory over the US-backed Nationalist regime in China was a major triumph for Asian nationalism and self-determination, and on the ground that militancy would force Communist China into closer association with USSR. He probably also takes this position because of a desire to get along with a powerful neighbor, particularly so long as India is militarily preoccupied with Pakistan. With respect to other Asian countries, India has usually backed its fellow Asians against the West, regardless of the issues involved, and has displayed the utmost contempt for those Asian regimes which accept Western leadership.

Prospects of an Early Change in Policy

9. We believe that there is little reason to expect an early change in India's policy of neutralism. Nehru, who is largely responsible for the formulation and promotion of these policies, is a man of strong conviction. These policies, moreover, reflect the widespread anti-Western feeling in India. Even if the right wing leaders of the Con-

gress Party should come to dominate foreign policy, they would find it difficult to abandon formally the policy of neutralism. A right wing government, however, would be more intent on obtaining US economic assistance. As a result, it would probably adopt a generally more cooperative attitude toward the US and might even conclude various unpublicized understandings with the West.

10. We believe that further Soviet aggressive moves in Europe or the Near East, by increasing the danger of general war, would be more likely to strengthen India's neutralism than to induce India to associate itself more closely with the Western bloc.

11. We further believe that the advance of Communist power into Tibet and Southeast Asia is unlikely to produce an early change in India's policy of neutralism despite their importance to India as potential spheres of Indian influence, as military buffer areas, and (in the case of Southeast Asia) as a source of most of India's 800,000 tons of annual rice imports. At present the Indian Government is attempting to dissociate itself from the Tibetan efforts to retain autonomy. Indian leaders appear to minimize the strategic importance of the Tibetan settlement recently announced by Peiping, even though that settlement would permit the stationing of Chinese troops along India's northern frontiers, would force India to abandon its role as guardian of Tibetan interests, and might even result in the expulsion of Indian commercial and military representatives from Tibet. It is unlikely that overt Chinese Communist intervention in Indochina or subsequent Chinese attacks on Thailand or Malaya would lead India to give effective political and military support to Western countermeasures—though India could be expected to strengthen its own defenses.

12. A serious Chinese Communist threat to Burma would create considerable alarm in India. The Indian Government would probably not intervene openly should Peiping's efforts to gain control of Burma be confined to covert reinforcement and logistical support of indigenous forces. In the event of an overt Chinese Communist invasion of Burma, India would probably decide to send its own troops to the assistance of the Burmese, but might fail to act promptly and effectively in view of its desire to retain its military superiority in Kashmir and along the Pakistani border, where most of its forces are now disposed.

13. India would certainly resist, however, and would probably look to the UN and the West for military aid, if Communist China attempted to gain control of Nepal, Bhutan, Sikkim or parts of the Indian province of Assam (to all of which territories China has at one time or another laid claim). India would also resist Soviet or Chinese efforts to infiltrate or subvert Kashmir.

Economic Deterioration and India's Foreign Policy

14. In the four years since liberation, India's basic problem of supporting a dense population with a backward and badly organized economy has become progressively more acute. Despite the efforts of the Indian Government, economic rehabilitation and development have not only failed to keep pace with a population growth of almost five million persons a year but have even failed to check the deterioration of existing production facilities. Productivity has actually declined. Unless a large-scale economic development program can be financed and effectively executed, India appears doomed to a steady decline in living standards, periodically intensified by crop failures.

15. The magnitude of India's economic difficulties is beginning to produce widespread popular dissatisfaction with the present government, particularly in view of the high hopes of economic betterment raised by the establishment of India's independence. It is impossible to predict with confidence the effects of mounting popular unrest on the political structure or the foreign policy of India. By increasing its already strong control over internal security and assuming a more and more dictatorial character, the present Indian Government might be able to suppress any violent opposition at least temporarily. On the other hand, intensely nationalist groups or non-Communist leftist groups might succeed in capturing public support. Finally, India might be disrupted by economic pressures and revert to the disunity of earlier centuries.

16. The possibility also exists that economic deterioration would in time result in Communist control of India. The Communist Party of India, weakened by a premature resort to violent tactics and by the vigorous and effective opposition of the authorities, has a current strength of only about 50,000 and does not represent an immediate threat to the regime. Nevertheless, Communist doctrine makes a powerful appeal to the intellectuals who mould politically effective opinion, and the Communists alone appear to have the militancy and organization needed to exploit popular dissatisfaction to the full. The splintering of the Congress Party provides a good opportunity for use of popular front tactics to re-establish Communist influence, and the Communists might also be able to develop support among the various depressed groups in Indian society. The Communists have already had some success—particularly in Hyderabad and in nearby areas of Madras—in the tactics of rural revolt employed by the Chinese Communists.

17. If the Communists gained control of India, neighboring states would be exposed to military threat from the flank, the Communist bloc would be in a position to threaten the principal communications route between Europe and the Far East in time of war, and Asian opinion would be driven toward the view that Communism repre-

sented the "wave of the future." Southeast Asia, including Indonesia, would probably fall completely under Communist domination. The generally pro-Western governments of Pakistan and Ceylon would find it difficult to take a firm position against the USSR and its Asian allies even if strong Western military support were forthcoming. Neutralism would be greatly encouraged in Iran, the Arab Near East, and the Philippines.

18. Communist control of India would deny the West a major source of manganese, mica, shellac, kyanite, and jute products. The loss of these supplies would in the short run confront the US with serious problems of procurement. But in the long run alternative sources and/or substitutes (with the possible exception of mica) could almost certainly be developed. The Soviet bloc apparently has less need than the West for India's products. Should Communist control of India lead to the absorption of Southeast Asia into the Soviet bloc, however, the economic effects would be even more serious, inasmuch as critical sources of tin, rubber, and petroleum would pass from Western to Soviet hands.

19. A Communist India would not add significantly to the military power of the Soviet bloc in terms of materiel. It would, however, provide an army in being of about 400,000 men and a vast supply of manpower. India already has an estimated 1,500,000 trained reserves and, given Soviet equipment, might in time develop an army comparable to that of Communist China.

20. It is possible that outside economic assistance could check and in time halt the economic decline of India. In order to achieve this end, such aid would have to be substantial and would have to be continued for several years. Even if such aid were provided, the Indian Government might be unable to effect the sweeping and politically difficult social and economic changes required to achieve economic stability. Despite the obvious element of risk involved, however, external economic assistance appears the only possible means of checking an economic decline which would otherwise create greater difficulties for the West and which might result in a graver threat to the Western position throughout Asia.

611.91/9-651 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET PRIORITY

NEW DELHI, September 6, 1951—4 p. m.

868. No distribution outside Dept.

1. In view apparent surprise in wide US circles at rejection by Nehru of Jap treaty and consequent speculation re status Amer-Ind relations, we venture submit herewith some our ideas re likely future

attitude Nehru towards Jap in framework his general foreign policies as we presently assess them.

2. Rejection Jap treaty your opinion not mere reflection of current status US relations with Ind. We believe it represents logical step on part Nehru in his efforts attain one his primary foreign policy objectives, that is, eventual exclusion from mainland and waters Asia all Western military power and what he would consider as Western political and economic pressures.

3. By rejection treaty for reasons given by him Nehru has laid basis which will enable him carry on subsequent campaign stimulate and gain influence over nationalistic and anti-white elements in Jap. He believes these elements if discreetly encouraged and skillfully guided by such experienced Asian nationalist leaders as himself will eventually take over power in Jap, denounce Jap alliance with US, and insist on evacuation all American armed forces from Jap and return to Jap control such islands as US might be occupying.

4. Thus far Nehru has made little progress in persuading Communist China abandon its ties with Russia and form partnership with India carrying out campaign to unite Asia under slogan "Asian nationalism." (content of "Asian nationalism" as this expression used by Nehru is for most part combination of desire for an "Asia for Asians" and of "anti-Westernism.") If he can succeed in drawing Communist China away from Russia and Jap away from US and can work them into common front with India he will feel he has made substantial progress in direction attainment united Asia in which he can play important role (in referring to Asia herein we not including Russian Asia) and which he would like use in pursuing further objectives.

5. Nehru will probably work not only through India diplomatic and consular offices in Jap and on Jap diplomatic and consular reps in India but also in numerous other ways to gain in Jap reputation disinterested and idealistic defender of Jap political and territorial integrity against US imperialism. It is believed he will use channels press and radio, encourage exchange goodwill visits, instruct Indian diplomats take appropriate attitudes in UN and elsewhere, and employ usual tricks modern propaganda.

6. In carrying on his campaign to attain his objectives in Asia Nehru not likely move too openly or rapidly. He will not wish arouse too much hostility or indignation in US. He realizes for some time to come India will sorely need certain capital and consumption goods which only US can furnish. He not likely disclose his real objectives. He will probably continue try appear as democratic idealist primarily interested in welfare downtrodden masses of Asia; as David who regretfully faces materialistic and clumsy Goliath of militarism and imperialism. He will continue endeavor gain support in Western

world, particularly in US and UK, of various non-Commie leftwing elements and well-intentioned idealists with progressive view as well as professional "liberals." He will continue make special effort charm and flatter naive Amer and Brit, who he thinks might be useful in helping mold public opinion in his favor or in supporting policies in their countries which wld facilitate gaining of his fon policy objectives. He will continue make minor concessions and friendly gestures from time to time to US in order keep down tide resentment and and make US officials think, "He will come to our side eventually if we are patient and handle him properly." He not likely, however, change his basic policies unless Commie Chi by acts makes clear once for all that his dreams for partnership with it cannot be realized. It wld be foolish for Commie Chi commit such acts just now because potential value of Nehru in helping stimulate hatred in Asia against peoples of Eur stock, particularly of US, shld not be underestimated.

7. In presenting our ideas above with minimum of reservations and qualifications we have probably made Nehru's objectives and plans for obtaining them more clear-cut than they really are. Nehru frequently "plays by ear" and permits his emotions of moment influence his actions. Nevertheless we believe what we have said above portrays Nehru's present approach to problem of Jap future and to related problems.

8. Discussions measures we might take meet Nehru's probable campaign against us in Jap not in scope this tel. We wish stress, however, that in determining and carrying out such measures we shld be careful differentiate between him and India. Altho Nehru at present conducts Ind fon policies to suit himself many thoughtful Ind polit and econ leaders disagree with these policies and believe friendly coop with US more important than close ties with unreliable Commie Chi. We shld be playing into hands our enemies if in endeavoring meet Nehru's campaign against US in Asia we shld "write India off" or take measures likely wound sensibilities of Ind people.¹

HENDERSON

¹ In telegram 441 from Moscow, September 13, Ambassador Kirk sent the following comment to the Secretary of State:

"Amb Henderson's tel 868, September 6 of great interest this Emb providing clearest exposition Nehru character and program to date.

"Obviously we shld continue concentrate on steering Nehru away from collaboration with Commie China and Soviet Union which bound end disastrously for India and West. Presumably we in better position counteract his attempts wean away Japan.

"India as future great world power is of utmost importance US and world security. In implementing recommendation last para reftel we must not neglect fact that possibility adroit Soviet exploitation of any situation which might be construed as indication lack US faith and interest in India and its people, is main danger." (611.91/9-1351)

123 Henderson, Loy W. : Telegram

The Secretary of State to the Embassy in India

TOP SECRET NIACT WASHINGTON, September 14, 1951—1 p. m.

607. For Henderson from McGhee. If you have not yet paid farewell call on Nehru ¹ you may wish consider conveying to him as departing friend your forthright personal observations on possible consequences to India if GOI follows present course in foreign relations. I leave to your discretion the forcefulness with which you may wish to present your views. I am sure you will agree this occasion may offer an opportunity to obtain from Nehru rather more realistic and comprehensive views than he has heretofore expressed. [McGhee.]

ACHESON

¹ Mr. Henderson was appointed Ambassador to Iran effective September 19; he departed from New Delhi on September 21.

791.00/9-1751 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

TOP SECRET NEW DELHI, September 17, 1951—5 p. m.

1026. 1. Following farewell family luncheon given by Nehru and daughter for wife and self he drew me aside for farewell talk. He said some rather kind things of personal character: He and I not agree on world outlook but he did not respect Ambassador who did not loyally stand up for views his govt; never any Amb New Delhi for whom he had higher regard and more respect; he doubted any American as Ambassador could have done more strengthen relations between our countries during last three years; US and India, however, both in deep foreign policy ruts legacy experiences and environment each country and would take long time find themselves on common road. Nevertheless he always and still believed we going same general direction and possessed similar objectives.

2. I expressed deep appreciation. Said I had never yet left any post without sense not having been able accomplish all I should; in leaving India I had feeling I should have been able do more strengthen relations between our two countries. I came here with conviction which had been strengthened during stay close cooperation US and India imperative for peaceful, stable world not only of future but of present. International situation precarious two great free countries like US and India could not afford luxury squabbling over superficial differences. My government, I had reason know, shared his view both countries going in same direction with similar objectives. Recent Indian attitude, however, had caused it and American people considerable concern. Decision GOI reject Japanese treaty, particularly

manner carrying out decision, had added this concern. Impression strengthened that India in its desire bring about Asian cooperation was opposed close development relations between US and Japan and might even pursue quiet policy endeavoring draw Japan away from US just as it was hoping draw Communist China away from its close relationship with Russia. My government in general favored regional understandings and cooperation provided they in spirit and framework UN. It believed, however, regional associations which aimed to isolate members from close relations with friendly countries outside particular region not healthy or conducive world peace. Japan and India for instance had community interests as Asian nations. US and Japan however, also had strong community interest as Pacific neighbors. If India in mistaken belief it was promoting peace in Asia by pursuing policy of endeavoring pull any Asian nation, particularly Japan, away from close friendly relations with US it would be fallacious for either US or India believe our differences were merely superficial. We consider, for instance, close relations between Japan and US this particular period vital both countries and necessary if world peace to be maintained.

3. Nehru replied it true India hoped contribute draw Communist China away from Russia but idea drawing Japan away from US was "novel" to him. Idea had not occurred to him and he wondered how anyone might have obtained impression he might have such policy in mind. I suggested he re-read GOI reply to US invitation to San Francisco in light what I had just said. To US reader it wld seem that in making this document public GOI was encouraging such isolated elements in Jap as might be opposed closer relationship with US. Ind press thus far seemed believe GOI wld like for Jap to extricate itself from what *Times of India* recently described in editorial as "Anglo-Amer net". If in public thus interpreted GOI pol he cld understand why there was this concern in US.

4. Nehru said if such impression existed, it erroneous. GOI not desire interfere US-Jap relations. It realized community of interests. It believed however, geography close relations between Japan and China and any efforts block development such relations would eventually prove in vain. It was only natural for instance Japan and China should be each other's best customers. I said US had no intention try prevent development normal relations between Japan and China; in any event Japan would soon be sovereign state free to develop its own foreign relations. US would not be so foolish as to endeavor use its treaty relations Japan as lever exert pressure on Japanese foreign or internal policies. US had had enough experience know that best way earn hostility Japanese people would be for it try act as mentor sovereign Japan. Would of course be difficult for Japan as well as

for any other free nation maintain normal trade or political relations with China so long as that country dominated by regime conducting hostilities against UN.

5. Nehru said Communist China certainly was problematical neighbor. It too enormous however to be digested by Russia. He sure it would eventually disentangle itself from Russia although process might be many years' duration. He thought spirit of aggressiveness to be found both in China and Russia not mere expression communism; it also partly due to desire virile peoples stimulated by strong wine nationalism flex their muscles. This tendency disquieting their neighbors. Thus far Communist China had not tried use its newly found strength against its neighbors and he was hoping it would not do so. (He apparently overlooked Korea.) It would be unfortunate if China should move against Thailand, Burma or Indochina. Although mountain barriers protected India from real danger Chinese military aggression there was, however, problem infiltration. Fact of two thousand mile frontier between India and Communist country could not be ignored. India must now develop these neglected frontier regions for its own security; communications must be improved and inhabitants woven into Indian political and economic life. He was more concerned about Burma than India. Careful research had convinced him Burma's legal claim to extensive territories now within its borders not strong. In old days British had gradually pushed into lands belonging to China and had added them to Burma. British rights these lands inherited by Burma had never been confirmed by treaty. Although Communist Chinese Government had assured GOB borders would be rectified only by diplomatic negotiation nevertheless Burma presented vulnerable flank to China.

6. I thanked Nehru for courtesy and consideration he had always shown me and said I left India with regret and an even warmer friend than when I came. I expressed hope he would endeavor take time from his busy life cultivate close relations my successor who was distinguished American possessed of complete integrity and progressive outlook. He would find Mr. Bowles understanding and sympathetic person in whom great ability was combined with sincere humility. Nehru said he would be glad work closely with Mr. Bowles about whom he had already received many good reports.

7. During our talk Nehru exerted his great charm and gave every evidence complete sincerity. Although the idea of drawing Japan from US could not possibly have been so "novel" to him, nevertheless I could not but feel that for moment at least he somewhat contrite at condition US-Indian relations for which he knew himself be chiefly responsible and that he wanted make some kind amends before my departure. Whether he completely sincere or not fact he went out

his way deny he had any intentions to endeavor weaken US relations with Japan and to admit certain distrust of Communist China encouraging. It may be he beginning believe his dreams formation Asian bloc not likely realization in foreseeable future with China under Communist control. I understand also it had been something shock to him that his attitude re Japanese treaty had received little sympathy except behind Iron Curtain and that no Asian power except Burma had followed his lead. We cannot ignore possibility he may be beginning have doubts as to where his present Japanese policies are leading him, particularly re his relations US. Only time will tell whether his assurances were merely reflections generous momentary impulse or indicated possibility modification in policy. This not first time he has given assurances basic similarity US and India foreign policies. Unfortunately these assurances have not been followed by concrete evidence real desire cooperate more closely with US.

HENDERSON

791.13/10-2451 : Telegram

The Chargé in India (Steere) to the Secretary of State

CONFIDENTIAL

NEW DELHI, October 24, 1951—4 p. m.

1473. For McGhee from Bowles.¹ Made my initial call Oct 23 on PriMin Nehru in company with Steere. Gen conversation of 20 minutes primarily on problems confronting GOI past 4 years and progress made in dealing with them. We agreed outstanding importance increased agric production of India to achieve improved standard living. PriMin described remarkable progress GOI has made with problem refugees to important extent on coop basis and without assistance from IRO.

PriMin, who obviously fatigued and not voluble, made effort be friendly and at conclusion conversation said he hoped we wld have many long talks together.

Subsequently I called on Bajpai, KPS Menon,² Dutt, RK Nehru,³ Haksar⁴ and of course chief protocol Chopra.⁵ All were extremely cordial and expressed desire for close and frequent contact with me and Emb. My impression was attitude all cld scarcely have been more friendly and forthright. [Bowles.]

STEERE

¹ Chester Bowles was appointed Ambassador to India and Nepal on October 10.

² K. P. S. Menon, Secretary, Indian Ministry of External Affairs.

³ Ratan Kumar Nehru, Special Secretary dealing with Conferences, Indian Ministry of External Affairs.

⁴ S. N. Haksar, Joint Secretary and Controller General of Emigration, Indian Ministry of External Affairs.

⁵ I. S. Chopra, Joint Secretary and Chief of Protocol, Indian Ministry of External Affairs.

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*Memorandum of Conversation, by Mr. John Foster Dulles, Consultant
to the Secretary of State*

[WASHINGTON,] October 29, 1951.

Participants: Madame Pandit
John Foster Dulles

I called on Madame Pandit at the Indian Embassy to say goodbye to her.¹ I said that my hope was that she would use her influence in India to get the Indian Government and people to accept the possibility of cooperation between the East and West, rather than to assume that this is impossible and that there needs to be a gulf between us, such as is reflected by the slogan "Asia for the Asiatics", which implies more than an end to colonialism, but the elimination of future cooperation in cultural, economic and political associations as peoples.

I said that no one could guarantee that a country as materially powerful as the U.S. had become would conduct itself properly but I had every reason to believe that we would. If India assumed that that was impossible and itself contributed to creating a gulf between us that would be unfortunate. I said that the U.S. was committed not to withdraw its influence from the Western Pacific and to leave that area a vacuum of power, and that the problem was to work out free cooperation. I said that nations, like individuals, tend to live up to what is expected of them, and that if India expected useful cooperation with the U.S. that was more likely to happen than if India assumes that there cannot be such cooperation.

Madame Pandit said that she saw the problem precisely as I did and that she hoped that she would be able to exert an influence in India which would be more effective than the influence she had been able to exert as Ambassador. She also hoped that through United Nations associations, and otherwise, that she could maintain her contacts with the U.S.

¹ Madame Pandit resigned as Indian Ambassador effective December 21.

611.91/11-751 : Telegram

The Ambassador in India (Bowles) to the Secretary of State

TOP SECRET PRIORITY NEW DELHI, November 7, 1951—11 p. m.

1661. For McGhee. Tuesday evening Nov 6, I had dinner with PriMin. In addition Mrs. Bowles dinner included Min Health Amrit Kauer, gov of Uttar Pradesh Sir Hormasji Lody, new Home Aff Min Katju. Immediately after dinner PriMin took me aside for talk and made fol points:

1. He hoped I understood warmth with which I had been greeted. This was important indication of basic Ind feeling towards US and hopes in official and non-official circles for better understanding and possibly closer working relationships. He disturbed over disagreements and irritations of past 2 years and said he hoped that together we cld make progress in creating different atmosphere.

2. He particularly anxious for me understand his personal attitude and that of GOI towards Sov Union and China. For some time he hoped Sov Union wld develop along different lines but in recent years he had become convinced USSR was aggressor national fol old Russian imperialistic pattern with assistance of new Sov-controlled force—world Communism. He said altho he did not believe Sov Union wld knowingly start world war he thoroughly understood our conviction that Red Army must be balanced in Eur by comparable force, unless unexpectedly Sov Union shld agree to practical and convincing program of disarmament.

3. Emphasized his total opposition to Commie idea which he said was diametrically opposed to his own philosophic beliefs and those of Ind people. He said he wld continue meet Communism head-on here in India whenever it attempted subversive or disruptive tactics. At present Communism was not problem in India but he did not underestimate its potential development particularly if the economy remained stagnant.

4. In his opinion China was much more complicated problem than most Westerners believe and even though we disagreed with him there shld be no misunderstanding about what he thought on subj. He then made following points:

a. Present Chi Govt is dominated by Commies who are trained in Russia. Some of these Commie leaders wld certainly put cause of Communism under leadership of USSR before interests of China itself, but perhaps an equal number wld not.

b. Central Govt had been successful in establishing law and order in all but few sections of China and rumors of large guerilla concentrations in south China were wishful thinking. Chi people now had order and peace first time 40 years.

c. However, social, econ and polit structure of China was in early process of formation; many non-Commies held important posts both in Central and Provincial Govts; and no one, incl Central Govt itself, cld be sure exactly what shape China wld take in next 5 years.

d. From the many reports he recd from all over China there was gen agreement Chi people were working extremely hard. He said that concept of 400 million people working hard and in determined way was in sense utterly frightening. Great good might result—also possible this development held major dangers for all of us.

e. Said Chi Commies had often acted with great cruelty and total disregard for life which shocked Inds fully as well as US.

f. China potentially aggressive and expansionist but at present she lacked resources do more than she was doing. Perhaps with thought in mind that we were considering attack on China proper, emphasized that defensive ability of China today is far greater than in 30's when Jap had difficulty in penetrating even divided China.

5. Stated that his China views were very different from Panikkar's.¹ He stated Panikkar usually succumbed to whatever situation he was in. In fight for Ind freedom Panikkar had represented some of most reactionary princes in Ind and pleaded their cases with apparent conviction. Had been sent to China not as leftist Amb to new Commie regime but as man whom PriMin believed wld get along with Chiang Kai-Shek. When Commies took over, Panikkar's views as in past had changed abruptly, and today tended dangerously idealize Chi scene. For this reason Panikkar was being sent Paris where he wld have opportunity talk with others and perhaps absorb some of our own fears of Sov expansionism. PriMin jokingly stated that after 2 months in Paris Panikkar might change into ardent opponent of Commie viewpoint.

6. PriMin emphasized he did not accept Panikkar's present views about Chi nor was he in any way blind to potential dangers which might be developing in China. In his opinion China in next 10 or 15 years cld go either way. He earnestly believed however, best hope was an attempt to divide Russia and China—or if this not possible at least modify Chi viewpoint thru outside contacts and thus convince Chi did not need depend entirely on Russia.

7. Thought it likely Russia wld attempt use China by urging it into further adventures other parts Asia. However, stated Chi had been hurt in Korea and wld hesitate embark on other adventures likely involve further fighting.

8. He expected see Chi embark on vigorous program to convince other Asiatic nations they had developed successful econ pattern which wld raise living standards. Already much evidence such an effort being planned and he thought in some quarters it might prove persuasive, particularly if it were entirely divorced from polit arguments. Suggested this approach was being followed by Chi cultural delegation now in India which had steered clear Sov Emb and refused answer all questions touching in polit points. He stated it was quite possible China's econ gains in next few years might considerably exceed those of India. China has taken much better care of her soil. Inds living in hotter climate less able take long hours in fields which Chi endure with relative ease. China's industrial resources were more

¹ K. M. Panikkar, Indian Ambassador in Peking, 1948–1952, was a member of the Indian Delegation to the Sixth U.N. General Assembly in Paris, November 6, 1951–February 5, 1952.

fully developed thru long Jap occupation of Manchuria. The \$300 million loan from Russia had included much valuable equipment. However, India had certain advantages China lacked, including better transportation system, better-trained admin services and protective wall of mountains to north which made heavy mil establishment unnecessary.

9. PriMin traced step by step almost week by week development present China situation. Early Sept 49 it first became evident to him and his govt Commie Chi Govt in control China. Described his talks and agreement with UK FonMin Bevin on his (Nehru's) way to America and latter talks with Acheson. Stated Acheson had understanding of his views but had given no indication US prepared recognize new Chi Govt. PriMin then described subsequent convs with UK and their mutual desire have announcements of recognition come before meeting of Commonwealth nations in Colombo Jan 50. In his opinion no question but that No. Korean attack was act of pure aggression. Confident that Russians had instigated attack and Chi had known about it. Did not believe, however, Chi intended take active part. He understood why we thought pattern of Chi thinking on subj seemed totally illogical and therefore must be impossible. But fact it was illogical did not mean it was untrue. His belief Chi had developed genuine sense of alarm from day UN crossed 38th parallel. His belief Chi troops began move into Korea immediately after that, even though actual contact was delayed 3 weeks. Described his concern re Tib in detail. After his protest, China delayed then cleverly trained Chi Tibs for actual occupation and dug up half forgotten treaty giving them right to garrison part of Tib. Chi Commies in Tib had so far acted with restraint but he clearly recognized danger of infiltration and was on lookout for evidence. Said Chi had been on point opening broad negots several times between Dec 50 and Malik's statement in June but that each time unforeseen event changed their minds. His belief Chi badly wanted peace in Korea but that they wld not pay too high price for it. This he said was again not matter of logic understandable to West but matter of intense pride.

10. This presentation took more than hour. PriMin completed by stating he did not expect us accept his views now altho he wld like have us understand them so that it quite possible the new China wld develop into explosive dangerous force and that in this case US wld appear to have been right. He said however, that there was at least good chance that future development of China cld be guided into different channels and that he earnestly believed that best interests of India, US and entire free world (he used word "free") lay in policy keeping China door open. In his opinion world had nothing lose and much gain in any effort split Chi and Russia, or if that in-

possible at least to modify China's willingness swallow Sov line completely.

11. I then told PriMin I wld like opportunity outline Amer viewpoint and explain some our own reactions to sit in Eur and Chi. I retraced briefly ground covered in my press conf statement of Nov 5 in which I outlined our 1945 hopes that coming of peace and development of UN wld make large armaments unnecessary. Described uneasiness we felt over our failure obtain agreement on atomic bomb and further concern over unwillingness Sov to establish a reasonable peace in Eur or disband its army. Emphasized it was not until Korea however, that we were really awakened. Since that time our policies had been based on determination build counter-force to Russia in Eur and convince Sov Union and Chi we wld oppose further aggression by force, while always holding door open for negots and talks. Stated that this necessarily led to occasional conflict between our moral principles, in which we deeply believed, and development of a mil and polit program designed balance power of Sov Union, and it was with extreme regret many Amers accepted some of compromises which had become necessary. One such compromise was Indochina where we felt dominating factor was danger of Commie victory directed from fon country, while Inds believed dominant issue was failure of Fr to leave countrys as Dutch had left Indonesia and Brit. Said we were inclined to feel that India and other eastern nations were apt concentrate energies too much in fighting a nineteenth century imperialism which already dead or rapidly dying while under estimating power of new Russian imperialism with its spearhead, world Commie movement. Nehru said he did not feel this analysis was just and he understood fully our fears of Russian aggression which he had expressed to me earlier in conv and that he shared our fears completely. I then traced our own internal arguments over question of Chi extending back to war period. I reminded him US opinion was sharply divided on question of recognizing Commie Chi but action of Commie Chi in Korea had completely united our country in opposition to recognition at this time. Said that once an armistice was signed new developments might be possible, but that we clearly cld not make a deal or commitment of any kind.

12. I then opened up question of fon aid and Point Four program in gen terms. Said that Point Four proposal had caught imagination of Amer people as well as imagination of under developed countries but our hopes and plans sharply curtailed by events of last 18 months. Pointed out that Sov Union if it wished cld ease tensions which now troubled world and made necessary huge waste of mil preparedness. He asked what kind conditions necessary for easing of present armaments race and I expressed personal belief that armistice and honest peace in Korea plus rational solution Ger and Aust problems wld

help create entirely new atmosphere in which present arms load on both sides wld inevitably be reduced. Added this wld make possible considerable increased aid to under developed areas and that this wld be particularly important in India in view his concern over future progress of Chi and possible dangerous polit repercussions here. Altho we wld do our best under any circumstances, key to major aid program lay in Russian attitude toward peace. At that point PriMin called to telephone and told of death Chief Justice Supreme Court Kania. PriMin obviously deeply disturbed and Mrs Bowles and I soon left. He followed us to door to say he had been gratified by our conv and hoped to continue it on future occasions.

BOWLES

611.93/12-651

*Memorandum by the Ambassador in India (Bowles) to the Secretary of State*¹

SECRET

NEW DELHI, December 6, 1951.

Subject: Early Observations on India

At lunch before leaving for New Delhi, I promised to give you an early report. I have delayed for several weeks because the situation here is so extremely complex, and because I wanted time to digest the avalanche of ideas, facts and impressions which have been crowding in upon me.

The views that I offer you now are the result of many conversations with our own people, with American newspaper men, officials from other embassies, government ministers, opposition leaders, labor leaders, and businessmen, plus personal visits with innumerable peasants, workers and other ordinary Indian citizens. I offer these views with considerable humility and with the certain knowledge that they will be modified up or down in the coming months.

What about Russia?

The position of the USSR in India has slipped rather substantially. A few years ago most Indian leaders not only admired the material achievements of Russia, but seemed inclined to disregard the ruthless methods through which these gains were accomplished. Soviet brutality was often explained away on the grounds that the Russians have always behaved brutally regardless of who happened to be running the country at any given time.

However, Jan Masaryk's² inability to compromise with the Soviet Union had a profound effect, and since then mistrust of Russian

¹ This memorandum was sent as an enclosure to a letter of December 6 from Ambassador Bowles to the Secretary of State, not printed (611.93/12-651).

² Czechoslovak Minister of Foreign Affairs, 1940-1948.

objectives and dislike for Russian methods have been steadily increasing, recently at an accelerated pace.

Although we are disappointed at India's attitude on Korea, there are few Indians who doubt that North Korea was the aggressor and that the attack was planned in Moscow. Vishinsky's initial Paris speech,³ in which he denounced our disarmament proposals, was fully as shocking to people here as to people in other parts of the world.

Every top Indian official with whom I have talked has gone out of his way to condemn the Soviet Union and the Communist approach to economic, social and political problems. Nehru has been most emphatic in his statements to me on two occasions.

However, I do not mean to say that Russia is still not a powerful antagonist of the United States in India. Soviet propaganda is still alarmingly effective, particularly among the young people.

One of their best tools is paper-covered books which are provided free by the Soviet Government to Communist groups who sell them for three or four cents a copy. The proceeds go into the local Communist treasury.

What about the United States?

The attitude of the average Indian toward the United States is much friendlier than we might assume from reading Indian or American newspapers. I have talked to scores of peasants and working people, and I have yet to see anyone whose face did not light up when he heard I was from America. I have drunk many cups of tea in the homes of peasants who have been eager for every snatch of information about our country.

We have accumulated an enormous amount of good will in India over a long period of years. But this does not mean that many Indians are not critical of us, and sometimes bitterly critical.

There are several reasons for our differences. Perhaps the most important lies in India's geographic position. With her two oceans and the steep Himalayas to the north, India considers herself happily protected from attack. This illogical sense of "security", plus the overpowering nature of India's domestic problems, keeps Indian leaders from facing up clearly to the problems with which we are contending. It induces them to rationalize away the danger of a Russian attack, and to tell themselves that the present conflict is at least partly created by our own fears and inexperience.

This, of course, does not add up and I believe that most intelligent Indians are at least subconsciously aware of this fact. Perhaps this explains their extreme sensitivity to American criticism. In all fairness

³ Reference is to the remarks of Andrey Yanuaryevich Vyshinsky, Soviet Foreign Minister, at the Sixth Session of the U.N. General Assembly, November 7. Text in U.N. document A/PV. 336.

we will do well to remember that the arguments of India neutralists of 1951 bear a striking resemblance to the arguments of many American isolationists of the 1920's and 1930's. In fact, the Indians are one up on us! We turned down the League of Nations while they are active in the U.N.

The Indians are intensely sensitive about their new independence. They fear that openly siding with us or accepting any aid with strings will subject India to influences that may impair its independence.

In addition to their uncertainties about the cold war, the Indians are disturbed by the racial prejudices which they are keenly aware still plague many sections of the United States. Perhaps the greatest single success of the USSR in India is the fact that many Indians are convinced that Americans can never accept the colored races as equals.

What about China?

In the coming years the danger from the Chinese Communists is likely to be much greater than from the Russians. In addition to their obvious advantages of geographic and historical relationship, the Chinese are much more skillful in dealing with India than are the Russians.

For instance, the Chinese Cultural Delegation, which is now visiting India, has shrewdly refused to take part in political discussions. As far as we know, the members have had no dealings with the representatives of the Soviet Union.

Several top Indian officials have told me that the Chinese representatives usually start a discussion of Indo-Chinese relations with a speech along the following lines:

"Let us not talk about the Soviet Union. We realize that you do not particularly like Russia or approve of her ways. We ourselves are grateful for the support that Russia has given us. But we assure you that Russia will never dominate China.

"Nor need we waste our time discussing Communism. We realize that you dislike this system of Government, and although we believe your feeling is based on misunderstanding, there is no reason for us to argue about it.

"The most important thing is our relationship to each other. China and India are the two biggest nations in the world. Together we have one-third of all the world's people.

"Moreover, we are both *Asian* nations which have been forced for centuries to endure the oppression of the white races. We are both *new* nations with huge agricultural and industrial problems.

"So let us not argue about politics. Instead, let us work together as friends and neighbors in the solution of the tremendous common difficulties which we both face."

This speech is dangerously effective because it tells the average Indian exactly what he wants to hear, i.e., that China is not controlled by Russia, that Communism is not particularly important to the

Chinese, and that China is seeking only sympathetic understanding and open communications between the two largest Asian nations. The great majority of Indians who are not fellow travelers are deeply disturbed by the brutality with which the Chinese are seeking to "solve" their problems. But they are inclined to blame these excuses not on Chinese Communism but on the traditional Chinese indifference to human suffering. This neat rationalization, however, is already somewhat less effective than a few months ago.

What if China succeeds?

As you know, reports on what is actually happening to the Chinese economy are contradictory. However, it is dangerous for us to assume that hateful ideas are necessarily unworkable.

We will be wiser, I believe, to base our plans on the probability that within five years the Chinese Communists will have accomplished enough in some areas to provide their propaganda experts with some very persuasive material, and that they will make skillful use of such material.

If in this same period the Indian economy is allowed to stagnate, the contrast between the rosy reports which will be pouring into India from the North and the hard continuing fact of Indian poverty and misery could readily create a most critical situation.

This potential danger may be increased by the long range weakness of Indian leadership. Mr. Nehru and his associates, who have been brought up in our own democratic tradition and who, in spite of our disappointment at some of their actions, are personally dedicated to those traditions, will then be five years older and probably less effective. There are only a few younger men of established ability to replace them.

Moreover, for the last few years the present Government leaders have been coasting to a large degree on the loyalties developed during the long fight for independence. Unless there is a definite improvement in the well-being of the average Indian citizen, these loyalties will gradually wear thin.

In this unstable kind of setting we would surely see the rapid growth of Communist organizations throughout India. If these organizations in their early stages were organized with a minimum of violence and threats, they could be vastly more effective than the Communist Party is today.

If they were able to convince even a sizable minority of the Indian people that the Communist Government was moving rapidly ahead in China, while the Indian Government had failed, the present democratic society could rapidly disintegrate. Since there is no strong second man available, the death or serious illness of Mr. Nehru would speed up this process considerably.

Clearly, if India should go, the whole vast area from Cairo to Tokyo would be in grave danger. Southeast Asia would be outflanked to the East and the Middle East would be outflanked to the West. We would be cut off completely from some of the world's richest resources, and eventually faced with a dangerous increase in Communist manpower.

The Encouraging Side

There are many encouraging factors with which to balance this drab picture. One of the most crucial of these is the determination of the Indian Government, in spite of its faults, to solve its problems, and to solve them in a democratic way. As long as Jawaharlal Nehru lives and keeps his health, a revolutionary upheaval in India is unlikely.

Equally important, there is a great deal of ability in many Government departments. The finances of the Indian Government are sound; there is a good transportation system, and huge quantities of natural resources, including perhaps the largest and richest iron ore deposits in the world.

Moreover, all over India are many pilot plants which have already demonstrated what can be accomplished through a concentrated and well organized effort to raise health standards, increase food production and gradually eliminate illiteracy.

If the Indian Government with our assistance can build solidly on this pilot study experience, there is a reasonable chance that the Indian economy will begin to move ahead in such a way that within the next five years each citizen will see an improvement in his living standards and the evidence that a better life is attainable under democratic government.

An accomplishment of this kind would give the Indian Government and the Indian people a tremendous sense of confidence and achievement. Sooner or later, this in turn might have a substantial effect on China.

If cultural delegations can come to India to describe the gains of Communist China, cultural groups can also go to China to describe to the Chinese people how India is creating a better life for its people. If democratic India succeeds, the present India-China relationship, which now offers such a potential threat to the West, may eventually work to our advantage.

Can we afford to write off China?

In my opinion, this latter point is tremendously important. If we are to succeed in the present conflict, we must not only avoid the loss of more territory from the Free World; we must consider how we can recoup at least some of our losses.

All Americans are deeply conscious of Russia's success in forcing satellite relationships on Poland, Hungary, Rumania, Bulgaria, and Czechoslovakia. Because of this, many of our people are convinced that Russia must inevitably succeed in imposing this same kind of relationship on China.

This easy assumption may be incorrect. Indeed, against the background of the cold war, China may be much more important to Russia than Russia is to China.

For several centuries European Russia has had the advantage of a weak and divided China at her back door. This situation is now gradually changing and no man can foresee the implications. A China of growing strength which is even slightly wobbly in its attitude toward the Soviet Union would be a source of grave danger to the Politburo. A strong and unfriendly China would force the Politburo drastically to modify its present policies towards the West.

Certainly we cannot compromise our attitude towards China as long as Chinese soldiers are killing United Nations soldiers in Korea. But neither can we disregard the possibility of dramatic shifts in Asian alignments in the years immediately ahead. To assume that America must permanently accept a tight Soviet-Chinese partnership seems to be dangerously defeatist.

Undoubtedly such a partnership exists today, and for the present it is unlikely that we can do anything to modify it. However, "time marches on", and it is my belief that a major long term objective of our foreign policy must be directed towards modifying China's present ties with the USSR and gradually easing her into a more independent position.

If India grows economically stronger and more confident of the practical benefits of democratic government, she may become the most effective force in accomplishing this shift—even though she continues to vote against us occasionally in the U.N.

Undoubtedly the odds are against such a development. But I am sure you will agree that every facet of this complex situation must be examined carefully and that the possibility of favorable Indian and Japanese influence on China over a period of years cannot lightly be discarded.

What can we do?

This brings us to the question of what specifically we can do to improve the situation here, and what should be our general attitude towards the present Government.

The elections will be completed by the end of January and the new Government will then be established for the next five years. Undoubtedly Nehru and the Congress Party will win a substantial victory.

For this, I believe, we should be thankful. The principal alternatives are the Socialists and the conservative Jan Sangh.

The Socialists for the most part are honest, idealistic and vigorously anti-Communist. But their program is basically unworkable.

A few Americans have looked with interest towards the Jan Sangh and its associated parties, because certain Jan Sangh leaders have been critical of Nehru's "neutralism". In my opinion, however, the success of the Jan Sangh would be disastrous.

Their ideology is almost as racist as Hitler's. They advocate turning India into a communal Hindu State with a much "firmer" policy towards Pakistan.

If the Jan Sangh should elect a majority of Parliament (which everyone agrees is not possible) the likely result would be renewed clashes between Hindus and Moslems, an intensification of the Kashmir dispute, and the creation of the kind of political, social and economic conditions which would turn many Indians towards Communism.

For all of these reasons I believe we must place our bets for the immediate future on Mr. Nehru and his associates. This means that we should do everything possible to win their confidence in us, and to demonstrate our respect and admiration for the many good things which they are doing.

We must also re-examine our objectives in India and our concept of India's role in world affairs. We have all regarded India as a country which, by all odds, should be a full partner of the Western World in the struggle against the Communist bloc, but which for some perverse reason refused to support the Free World countries in their efforts to deal with the aggressor powers.

It seems to me altogether unlikely, unless World War III breaks out or China makes some aggressive move southward, that India will openly support the free world in a manner that would place her against her great neighbor, China. Any aggressive effort to pressure India with a different position will be ineffective and eventually may alienate a people and a government which are now basically sympathetic to our objectives and opposed to totalitarianism.

We will make much faster progress if we let India know that much as we disagree with her we respect her desire to remain aloof for the present, and that our only wish is to help her to help herself (without strings) and to maintain her independence.

Such a policy towards India will create far better feeling towards America and eventually it may enable us to draw her to our side. It can even be argued that our long range interests will be better served if India is allowed to remain in a position which will enable her to exert and effective modifying influence upon Communist China, with

the chance that she may eventually act as an intermediary in a great effort to wean China away from the USSR and back into a working relationship with this Western World. We should not overlook the fact that India fears China's close relationship to the USSR about as much as we do and that an independent China is her primary objective.

If we will accept these relatively modest immediate objectives there is every chance, with a few assists from Vishinsky, and some tactfully handled personal relationships, that we can improve the situation here much faster than now seems possible.

But we must stop showing petty irritation at individual Indian actions, no matter how much we disagree. We must be patient, respectful, and above all we must ourselves accept India as the foremost Asian nation.

Strengthening the Indian Economy

The tactful and persuasive handling of our relationships with Mr. Nehru and his associates will help. But that in itself will not be enough.

If I am correct in assuming that the condition of the Indian economy three, four or five years from today may be a decisive factor in determining whether or not Communism takes over this part of the world, we must also do everything possible to assist the Indian Government in reaching the very reasonable objectives outlined in its new Five Year Plan.

At present we have only the modest appropriation of \$54 million which will be allocated through the TCA here in India between now and June 30. I have suggested unofficially to Mr. Nehru and the Planning Commission that this money might be spent through a public authority or corporation separate from the regular agencies of government.

This public authority would have all the prestige and power of the Indian Government behind it. But its advantages as an independent agency would be very great. For instance, it would enable us to short circuit the overburdened government departments and achieve greater mobility and efficiency. In addition it would separate off our American contribution so that the result of our efforts could be clearly seen by our own Congress as well as by the Indian Government and the Indian people.

In order to tie this program closely to the Indian Government's own economic efforts, I suggested that if this authority were set up, the Chairman of the Planning Commission might act as chairman, with an able full-time Indian administrator backed by a competent staff and American consultants.

If the Indian Government will move vigorously ahead with land reform programs designed to give the peasants a stake in the new India, and if they will face up to the need for much more private investment and the steps which are necessary to get it, the economic outlook will improve. If in addition we can induce Congress to back the proposed Development Authority with some \$300 million annually for five years, there will be a good chance of success.

Tangible clearly evident economic gains in all parts of India will mean that democracy has scored a spectacular success. The Indian people and their government will be reassured as to the practical benefits of a democratic approach, and hence in a position to argue far more effectively with Communist China.

Need for a Stronger USIS

In addition, we must improve our information program. Much of our information work in the East has been based on experience gained in Europe where the problems are vastly different. Here in India we are dealing with sensitive people somewhat unsure of themselves, proud of their new freedom, and inclined to look on us as bragging white men with no understanding of their culture and history.

These attitudes can be broken down with a surprising speed if we will only present our own beliefs with honest humility, and make the Indians themselves reason out the world conflict in their own minds. Any attempt to force our own analyses upon them by blunt accusations is doomed to failure. Dynamic black and white statements about the cold war are viewed with suspicion. Harsh charges against the USSR are greeted with the question "Why do you fight Communism by copying the arrogance and bad manners of the Russians themselves?"

I believe I have convinced several important Indians on the following points through a quite different approach, and softened up a great many others:

A. "We Americans look on the disarmament race as wasteful and totally unnecessary. As President Truman has stated on many occasions, notably on October 24, 1950, before the United Nations,⁴ we are willing to invest a major part of any savings from our present armament program into a broad development effort to raise living standards in all parts of the world, and particularly in India.

"The Politburo seems fearful of this development, and I wonder if this is not a major reason why they have been unwilling to disarm? Ideologically, the USSR has every reason to prevent badly needed assistance from going to India, Indonesia, Africa, South America, and other underdeveloped areas. According to the Russian thesis, these countries must remain poor if they are eventually to go Communist.

⁴For the text of President Truman's address before the United Nations General Assembly, October 24, 1950, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington, Government Printing Office, 1965), p. 683.

You will notice that they won't even contribute to World Health, the Children's Fund or UNESCO." (In other words, "Moscow is responsible for the fact that India has not been getting the aid which she so desperately needs. If you Indians dislike this situation, why not send your complaints to Stalin?")

B. "The Chinese and American people have always been good friends. But the Russians are determined to keep the Americans and Chinese from being friendly in the future.

"One of the basic reasons why the Politburo forced the North Koreans to attack South Korea was the Soviet belief that this would frighten the Chinese, and eventually involve them in a conflict with the West. Of course, we cannot recognize China or make any deals about China's entry into the UN as long as our soldiers are being killed in Korea. But every American wants peace on a decent reasonable basis. If peace is not forthcoming in Korea, I believe it will be because the Russians know that once the fighting stops, other problems between China and America may eventually be solved."

(In other words, "The Russians are determined to maintain the conflict between America and other Western nations and China. The Russians cleverly and deliberately created the present unhappy situation in Korea and they are continuing to irritate it for their own selfish gains.")

C. "The French would have been out of Indo-China long ago if it hadn't been for the Communists. The record shows that we Americans have consistently opposed imperialism. We don't like to see the French remain in Indo-China any more than we wanted the British to remain in India or the Dutch in Indonesia.

"But for the time being at least, the Communists don't want the French to leave Indo-China, so instead of allowing the people of Viet Nam, Cambodia and Laos to deal with the problem, as the Indonesians and Indians dealt with theirs, they stage an invasion from the outside. This makes it necessary for the French to remain and for us to support the French."

D. "We Americans were isolationists for many generations. We had two great oceans to protect us and were convinced that European conflicts need never affect us. This belief was so strong that after the First World War a little group of people in our Senate was still able to prevent us from joining the League of Nations.

"Because of our unwillingness to participate in collective action against Hitler, the Second World War started and, in all honesty, we Americans must assume a considerable share of the responsibility.

"But we have learned from our mistakes. Today we realize that any aggressor is a danger to the entire world. That is why we are determined to establish a position of power which may bring the Russians to their senses and eventually result in the easing of present tensions." (Most Indians are quick to recognize the similarity between American attitudes of the 1920s and 1930s and their own present attitudes. It is rarely necessary to belabor the point. They usually get it themselves.)

Conclusions

A negative "Let us see if we can hang on" attitude towards Asia in general and India in particular is defeatist, unnecessary and danger-

ous. We must not only maintain friendly relationships with those Asian nations which are still open to us, but we must consider the means by which we can loosen China's present partnership with the USSR.

There is no indication that such a development is likely at present. But there are several potentially favorable factors, and the stakes are no less than the opening up of Russia's vulnerable rear door, and the forcing of basic compromises on the Politburo which otherwise seems impossible under any circumstances short of a long and costly war followed by a clear-cut military victory.

As far as India is concerned, we should accept the fact that if she moves in our direction it will be in several stages—from her present cool neutralism, to benevolent neutralism, to the kind of association which we deeply desire.

For the time being we should be less concerned with India's statements and attitudes, and more concerned with the crucial importance of her present Government's effort to build an economically stable, confident, democratic society.

India's success will buttress every free government in Asia. Moreover, it will vastly increase whatever chance there may be of breaking down the Russia-China partnership.

The effectiveness of our efforts in India seems to depend on a series of "ifs":

If we can muster the patience and understanding necessary to deal with this sensitive situation, (and this requires a truce on sharp criticism and angry charges),—

If we can work our way into the confidence of Indian leaders and particularly Mr. Nehru,—

If the Indian Government will itself face up to its economic problems and start to make the tough decisions which it now often seeks to avoid,—

If able Indian administrators can be found to carry out the development programs which are so badly needed,—

If we can develop in our own country sufficient understanding of this crucial situation to enable us to maintain effective policies,—

If Congress will provide the \$200 to \$300 million which will be needed each year to achieve the objectives of the Indian Five Year Plan,—

If we can get an honorable end to the war with China without further embittering India and other Asian people,—

If we can improve our information service which is now trying to ride several different horses at once.

What are the chances of success? Excellent, if only we can hurdle this series of "ifs". But probably less than fifty-fifty if they become too much for us.

A major share of our wealth and energies is today directed towards closing the open door to Soviet aggression labeled "Europe". It is absolutely essential that this effort succeed.

But the Asian barn door marked "India" may for the long haul prove to be of equal importance, and in one sense an even greater test of our competence to deal successfully with the forces of Communism. Indeed, Lenin once said, "The road to Paris and Western Europe may lie through Peking and Calcutta"!

These views are my own. I submit them in all humility for whatever they may be worth. I may say, however, that they are broadly shared by most objective and thoughtful observers here in Delhi—American, European, and Asian.⁵

⁵ In acknowledging this memorandum, Secretary Acheson wrote to Ambassador Bowles on January 14, 1952 as follows:

"Thank you very much for your memorandum 'Early Observations on India', enclosed with your letter of December 6, 1951, which I have read with more than usual interest. The memorandum shows clearly that you have applied yourself to the study of Indian problems with gratifying energy and acumen.

"I am looking forward to discussing your views and proposals when you come to Washington. In the meantime I am circulating the memorandum to interested officers of the Department." (611.93/12-651)

PAKISTAN

POLICIES AND PROBLEMS IN RELATIONS WITH PAKISTAN¹

690D.95/5-1151 : Telegram

The Secretary of State to the Embassy in Pakistan

SECRET

WASHINGTON, May 11, 1951—2 p. m.

727. Dept concerned for some time with gen problem of securing additional ground forces for Korea² in substantial numbers from other UN Members, especially those Members such as Pak which heretofore have not made contributions of ground troops.

FYI we are under considerable pressure from sources both within and outside Govt to redouble efforts to obtain additional troops for meeting aggression in Korea. Recently, Defense Dept asked Dept to direct every effort towards getting substantial contributions rather than token forces. We desire to continue to explore every avenue, even though in some instances the possibilities for success are somewhat remote. Dept now engaged in extensive bilateral negots with number other UN Members. As an indication of the seriousness and urgency with which we view matter of additional ground forces from greater number of other UN Members, we are now considering, though we have not definitely decided on a renewed appeal through SYG on behalf of the UC to the 53 Member states that indicated support of the June 25 and June 27 res.³

We have also been considering renewed approach to Karachi with view to getting commitment of ground forces of a substantial character. Ground troop contribution for Korea from Pak especially desirable. Dept appreciates Pakistanis reluctance to reduce internal forces by sending troops abroad and is aware of presence of dissatisfaction among people with UN handling of Kashmir issue. At same time, Dept believes that Liaquat⁴ and close associates are sympathetic towards idea of sending forces to Korea, though impeded by above two factors.

¹ For previous documentation, see *Foreign Relations*, 1950, vol. v, pp. 1490 ff. For related material herein, see pp. 1650 ff., pp. 1699 ff., and pp. 1929 ff., respectively.

² For documentation on Korea, see vol. vii, pp. 1 ff.

³ Respectively, Security Council Documents S/1501 and S/1511, printed in *Foreign Relations*, 1950, vol. vii, pp. 155 and 211.

⁴ Liaquat Ali Khan, Prime Minister of Pakistan.

It is believed that present Chi Commie offensive wld lend new weight US approach and might influence Pak Govt. As you are well aware, ground force commitments from Pak wld have considerable political effect on other Asian states and buoy up spirit of common defense by free world against any future aggression in Asia. In addition to present Commie offensive, need to rotate troops which have served long, arduous tours, and no immediate prospect of termination of hostilities has increased need for additional ground troops in Korea.

Pak was one of 53 Member states that indicated their support of the action taken by SC during initial days of Korean conflict. Pak has good sized army from which a substantial increment cld contribute measurably to meeting aggression in Korea away from Pak borders. US concerned that longer Korean action has to be carried on, more difficult it may be to keep aggression in Korea from spreading beyond its borders. In light of mutual desire of Pak and US to bring about cessation of hostilities soonest, to restore peace and security, and to keep conflict from spreading, it wld appear to be in interest of Pak to make contribution with view to assisting in bringing about aforementioned objectives.

We believe Pak aware that aggression in Korea is most serious threat to entire system of collective security establd by free world. Pak has stake and a responsibility in this system of collective security. Its failure and consequent breakdown wld menace every country in free world, including Pak. Surely Pak is aware that other UN Members may some day wish to draw upon resources of UN on their own behalf in event they shld become victims of aggression. We believe existence of UN is at stake, and if UN is to survive, aggression in Korea must be successfully met in order for world to avoid destruction.

Having above considerations in mind, the Dept desires you approach FonOff regarding urgent need for ground force commitment from Pak, if at your discretion you believe such representation at this time will not work to disadvantage of friendly US-Pak relations. If you believe such approach wld be to our disadvantage, Dept requests your reasons. Dept is making similar approach to Emb New Delhi.

ACHESON

690D.95/5-1551 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State

SECRET

KARACHI, May 15, 1951—10 a. m.

1067. I considered it desirable speak PM direct rather than make an approach FonOff on substance of Deptel 727, May 11. Liaquat said bluntly that now is the time for decision. If US prepared accept as fact Paks desire to move with us not only in Korea but also in Middle

East and to commit themselves irrevocably to the issues that he believes are shared by the Amer people as well as the people of Pak, then US must give him a commitment that will assure his people.

Specifically he said if we want one or more division for use in Korea out of seven now under arms in Pak he is prepared to move with us but we must support him against Nehru's defiance of the UN with the threat of a rigged election¹ in Kashmir this summer. Similarly he feels we shld bring our influence to bear in Afghan and put an end to what he regards the Pooshtoon nonsense.

When I inquired specifically if he wld make a division available for service in Korea he replied affirmatively provided we commit ourselves to his support just as we ask him to make a decision which he considers an irrevocable tie to the West.

Based on my estimate of his attitude I recommend as a minimum:

(1) That we give immed consideration to a declaration strengthening the res on Kashmir under which Graham² will operate by urging on the other members of SC that holding of proposed election to Con Assembly in Kashmir rigged by Sheik Abdullah Govt backed by GOI shall be condemned or alternatively we undertake use our influence with GOI to prevent its taking place;

(2) That we say to PM that offer of Pak infantry division will be most helpful if it were made immed available for service in Korea and inquire what assistance we might give in advancing its expedition;

(3) That we ask Liaquat what practical assistance he needs to reinforce his mil and industrial posture to assist in defense of Middle East from Commie aggression.

WARREN

¹Reference is presumably to a proposed constituent assembly to be held in Indian-controlled Kashmir under the auspices of its Prime Minister, Mohammad Abdullah.

²Frank P. Graham, appointed United Nations Representative for India and Pakistan by the Security Council on April 30, 1951.

690D.95/5-1551 : Telegram

The Secretary of State to the Embassy in Pakistan

SECRET

WASHINGTON, May 24, 1951—6 p. m.

782. Re urtel 1067, May 15. FYI. While we do not wish accept Liaquat troop offer in exchange US complete and unqualified support on Kashmir and Pushtoon issues, we continue hope some means can be found convince GOP send division to Korea. We are tentatively considering possible counter-offer variation ur suggestion (2), by which US might offer equip and maintain Pak division in Korea. We expect discuss with Defense Dept and will advise later.

Liaquat proposal unacceptable since logical developments US supporting GOP these issues wld be (a) complete alienation GOI and GOA, (b) limitation US freedom of action re complex present and future issues in Asia. Moreover, offer provide troops, which is GOP responsibility under UN Charter in rendering best available support for UN action against aggression, shld not be accepted as bargaining equivalent in return for far-reaching political support on other issues not directly related Korea. We wish keep these various issues separated, dealing with each on merits, although recognizing GOP security problem common element in all these issues.

ACHESON

Karachi Embassy Files : Lot 58F29 : Box 101

*Department of State Policy Statement*¹

SECRET

[WASHINGTON,] July 1, 1951.

PAKISTAN

A. OBJECTIVES

Our objectives with respect to Pakistan are to increase the orientation of its Government and people toward the United States, the UN and the West; to strengthen the stability of a non-communist government desirous of developing, in accordance with democratic principles, a healthy political and economic state capable of satisfying the growing needs of its people; to encourage Pakistan to improve its relations with its neighbors, including the Muslim nations to the West; to achieve closer consultation with Pakistan for the purpose of increasing its participation in and responsibility for the solution of problems of special interest to all Asian countries; and to develop in Pakistan an attitude which would afford the United States and its allies access to those facilities, resources and markets desired in time of peace and required in the event of war, and which would deny such facilities, resources and markets to the countries of the Soviet bloc.

B. POLICIES

US policy is to assist Pakistan, within the limits of our capabilities, to maintain a stable government capable of developing along demo-

¹ This document is a complete revision of an earlier Policy Statement on Pakistan, dated April 3, 1950, of which a partial text is printed in *Foreign Relations*, 1950, vol. v, p. 1490. Department of State policy statements comprised a category of documents summarizing the current U.S. policy toward, the relations of principal powers with, and the issues and trends in a particular country or region. The statements were intended to provide information and guidance for officers in missions abroad. They were generally prepared by *ad hoc* working groups in the responsible geographic offices of the Department of State, were referred to the appropriate diplomatic missions abroad for comment and criticism, and were periodically revised.

cratic lines. Pakistan has maintained internal stability and demonstrated vitality in overcoming many of its problems. Nevertheless, it remains dependent upon outside assistance for defense material and for the rate of economic development required to provide an early basis for stable popular government and democratic institutions.

The position of the dominant Muslim League party was weakened during the past year because it failed to take effective steps for the social and economic advancement of the country, because UN action on the Kashmir issue was slow, and because the central government appeared to use dilatory tactics in dealing with Afghan demands for the independence of certain tribal areas ("Pushtoonistan") and failed to take effective steps for the social and economic advancement of the country. These problems have provided political capital for the opposition to the present Muslim League that began early in 1950 with the formation of the Awami Muslim League in the West Punjab. Since then, under the virile leadership of Suhrawardy,² this party has grown in all the provinces and has attracted support from religious mullahs, unsettled refugees, and Muslim Leaguers who were unsuccessful in obtaining positions in the central or provincial governments. The Awami Muslim League thus provides a focal point for all opposition to the Muslim League, which is charged with relying unduly upon the Commonwealth, the UN, and the US for solutions to Pakistan international problems, with corrupt practices and with dictatorial curtailment of civil liberties.

Since the establishment of the USSR Embassy in Karachi in March 1950, Communist activities have increased considerably in both West and East Pakistan. While the Pakistan Communist Party lacks widespread popular support, it has an organization and leadership that has proved capable of increasingly disruptive activities. The government's dependence upon large land-holders, who are conservative and are moving too slowly to remedy real popular grievances, gives the Communists in Pakistan an opportunity to agitate strongly for reform measures. The central government is aware of the dangers of Communism and the Pakistan Communist Party, and, at times, it has exercised close surveillance over Communist leaders and has used strong measures to repress their activities. During the past year the Communist-dominated labor unions affiliated with the WFTU waged a running fight for control of the labor movement with the government-sponsored unions affiliated with the ICFTU; the latter had the greater success. Both the central and provincial governments have shown a readiness to cooperate with Western democracies in building a counter-propaganda program to prevent the spread of Communism in Pakistan, against which the tenets of Islam may not

² Husseyn Shaheed Suhrawardy.

provide as strong a bulwark as we have thought. Our policy is to stimulate among the people of Pakistan a fuller understanding of the aggressive objectives of international Communism and the constructive aims of the United States and other Western democracies.

Pakistan occupies the eastern and western flanks of one of the largest non-Communist areas of Asia. Eastern Pakistan lying next to Burma has attained new importance in relation to possible expansive tendencies of the Chinese Peoples Republic. This area, moreover, lying between Communist centers in India and Burma as well as near Tibet, provides a potential underground base and channel for building the link between external and internal Communism in the subcontinent. Western Pakistan inherited the primary responsibility for the defense of the Northwest Frontier, the traditional gateway for large-scale invasions of the Indo-Pakistan subcontinent. Although the security of this frontier and of the subcontinent against any major aggressor would require the joint action of Pakistan, India and Afghanistan, Pakistan's current difficulties with her neighbors militate against such effective cooperation during the foreseeable future. Indeed, Pakistan is searching outside the South Asian area for alliances, especially with the Muslim countries of the Near East, and for the assistance it would require in the event of an attack by the Communist governments of Russia and China.

Pakistan has the military manpower which could assist Near East countries in blocking Russian aggression especially through Iran. The Pakistan army, properly equipped, would be in a position to send troops to Iran's assistance and so to fulfill one of the traditional functions of British-Indian troops in past wars. Furthermore, as Pakistan does not suffer from the violent anti-Westernism and deep-rooted neutrality that prevent India from cooperating fully with the US and its allies, Pakistan might be persuaded to afford military bases to the US and the UK in the Indian Ocean area. Until Pakistan is relieved of threats to its territorial integrity, however, it cannot be persuaded to participate more actively with the US, UK and the UN in opposing aggression wherever it occurs.

Pakistan was the first country in South Asia to sign an agreement³ under Section 408(e) of PL 621⁴ and is now receiving procurement assistance in purchasing US military supplies, equipment and services on a reimbursable basis. This assistance is limited by other demands of higher priority and is intended to meet requirements for Pakistan's internal security, self-defense or participation in the defense of South

³ Mutual Defense Assistance Agreement with Pakistan, entered into force December 15, 1950. For text, see *United States Treaties and Other International Agreements* (UST), vol. 1, p. 884.

⁴ Public Law 621, July 26, 1950, An Act to Amend the Mutual Defense Assistance Act of 1949; 64 Stat. 373.

Asia. Pakistan's requests have hitherto been modest and, owing to present shortage of US military supplies, we are not in position to respond to significantly greater demands for such aid.

The primary agricultural economy of Pakistan was seriously strained in September 1949, when India refused to sanction transactions with Pakistan at the new rate between the Pakistan and Indian rupees, which arose out of India's devaluation and Pakistan's maintenance of the previous value of its rupee. The resulting economic dislocations and political reactions brought trade between the two countries practically to a standstill. In February, 1951, however, the two countries signed a comprehensive bilateral trade agreement for the period February 27, 1951 to June 30, 1952. In view of India's acceptance of Pakistan's exchange rate implied in the conclusion of this agreement, the International Monetary Fund in March 1951 formally accepted the par value of the Pakistan rupee at 3.32 to the U.S. dollar. It is too early to estimate the final effect of these developments, but all evidence points to the resumption of normal trade and financial transfers between India and Pakistan. As this would coincide with US policy objectives in the area, we look with favor on the renewal of this trade agreement for an indefinite period.

While avoiding the assumption of responsibility for the economic welfare and development of Pakistan, our policy is to encourage the GOP to carry out a well-balanced program of economic development. Where practicable in the light of other demands of higher priority, we will help Pakistan to obtain its import requirement from the US, the Commonwealth and other western democracies.

We are assisting Pakistan to obtain technical assistance under the Point IV Program, both through the UN and through US official and private agencies. Following discussions with the Government of Pakistan, the general Point IV bilateral agreement was signed on February 9, 1951,⁵ and a week later the official requests for such assistance were received. The program is being set up as rapidly as possible to cover the fields in which Point IV assistance is most needed: agriculture, geological surveys, transportation, light industries, public health and administration.

It is our policy to encourage the investment of private capital, to the extent that it is available as a source of foreign assistance for the Pakistan economy. Pakistan has been encouraged to establish opportunities for US private investors on a mutually satisfactory legal basis. It should be recognized, however, that private capital alone cannot meet Pakistan's requirements for foreign aid. Therefore, to the

⁵ Agreement for Technical Cooperation Between the United States of America and Pakistan, entered into force February 9, 1951. For text, see 2 UST (pt. 1), p. 1008. For description, see Department of State *Bulletin*, February 19, 1951, p. 299.

extent that private capital proves to be unavailable for the financing of certain basic developments in Pakistan, we will support consideration by both the International Bank and the Eximbank of loans for specific projects which in our judgment will contribute toward balanced economic development in Pakistan in as short a time as practicable. Priorities should be given to those programs designed to increase food output, to develop economically sound industries, and to improve transport and communications facilities.

Nevertheless, the prospective rate of economic development does not appear adequate to cope effectively with the forces threatening Pakistan's stability. Accordingly, the Department is presently proposing to present to Congress a grant program of financial assistance for Pakistan during the fiscal year 1952, which would be of great benefit for political purposes. The primary economic aim of this grant aid would be to increase agricultural production as well as to build up certain industries and educational facilities. The proposed projects should encourage Pakistanis to more effective action on their own initiative. All US and other programs of both investment and technical aid should, of course, be coordinated to the greatest possible extent.

Our commercial policy is to encourage Pakistan's full participation in the expansion of world trade. The Government of Pakistan is committed to a multilateral trade policy by its provisional acceptance in 1948 of the General Agreement on Tariffs and Trade. The bilateral trade conferences and agreements hitherto concluded by Pakistan with several Arab states, the USSR and certain satellite countries have not had any appreciable effect on Pakistan's trade policy. At our suggestion, Pakistan signed the protocol stipulating that most-favored-nation treatment would be extended to the Federal Republic of Germany and we have been assured that similar treatment, under certain conditions, will be given to Occupied Japan.

Pakistan's continuing relationships with Commonwealth countries require the maintenance of certain restrictive trade and financial policies, principally those involving Empire preferences; however, these do not appear to be inconsistent with the General Agreement on Tariffs and Trade. There is so far no evidence that import controls will be utilized for the purpose of protecting marginal or new industries not suited to Pakistan.

Treaty relations between the US and Pakistan continue to be based upon US-UK and US-India treaties and agreements which are applicable to Pakistan in accordance with the Indian Independence (International Arrangements) Order, 1947. The US and Pakistan have exchanged notes confirming the application to Pakistan of previous agreements. Negotiations of new treaties should therefore be undertaken, not only to replace US-UK and US-British India

agreements which are no longer appropriate in view of Pakistan's statehood, but also to fill the gaps in our treaty relations. A draft Treaty of Friendship, Commerce and Navigation was presented to the Government of Pakistan some time ago and is now being negotiated. Drafts of a Consular Convention and a Military Air Agreement have been submitted to the Pakistan Government, and a draft agreement for the exchange of official publications has recently been transmitted to our Embassy at Karachi. Pakistan's lack of trained negotiators, however, may well retard the conclusion of these agreements.

The USIE program in Pakistan is designed to develop a public opinion oriented toward the United States and the other democracies, and capable of promoting the stability of the country and encouraging its growth along democratic lines. The program seeks also to foster on the part of the people of Pakistan an appreciation of the responsibilities of their newly acquired independence and of our interest in their progress. With the allocation of additional funds during fiscal 1951, the USIE program has been expanded to permit the production and more effective utilization of materials specifically designed to carry out its objectives.

The organized labor force of Pakistan is only a small part of the working population, but it is politically important because it includes an overwhelming majority of non-agricultural workers. We intend to continue, in collaboration with other members of the ICFTU, to strengthen the ties between non-Communist labor organizations in Pakistan and those in the US and other western democracies.

C. RELATIONS WITH OTHER STATES

Pakistan's foreign policy and its relations with the US are affected by its proximity to India and Afghanistan, its connection with the Commonwealth and its desire to strengthen its relationship with Muslim States to the West.

Pakistan's foreign policy is continuously influenced by its struggle with India over an equitable settlement of the Kashmir issue, in which both Pakistan and India have agreed to abide by the result of a plebiscite conducted under UN supervision. The government and people of Pakistan, however, are now convinced that India wishes both to avoid carrying out this commitment and also to postpone agreement, until the status of Kashmir is clear, concerning other major disputes arising from the partition of the subcontinent (such as compensation for refugee property and canal water rights involving rivers rising in Kashmir and India). The government has thus far controlled the tide of resentment against India, which has recently risen to new heights following Indian encouragement of the establishment

in the Indian-held portion of Kashmir of a Constituent Assembly to define the future affiliation of the State. Unable by itself to stop these proceedings, Pakistan has pressed the US and the UK more and more for support in the UN.

Former grievances against the UK have been augmented by its apparent inability to give material help in settling the Kashmir and allied problems. This feeling reached its highest point when the Pakistan Prime Minister threatened to boycott the January 1951 Conference of Commonwealth Prime Ministers. Pakistani leaders, however, appreciated the subsequent attempts of the Commonwealth Ministers, especially those from Australia and New Zealand, to develop a solution. Pakistan's irritation with the UK (and the US) was also recently reduced by the strong UK-US Security Council Resolution of February 1951, providing for a UN Representative to effect demilitarization of the State (in preparation for a plebiscite) and for the arbitration of points on which this Representative and the two parties may not reach agreement. Progress toward a settlement and the outcome of this issue will strongly influence Pakistan's estimate of the value of US and UK friendship, as well as the utility of cooperation with the UN, in settling international disputes.

Our policy is to remain impartial in all Pakistan-India disputes. As the US has heavy commitments in other parts of the world and as Pakistan will be more inclined to cooperate with us and other Western democracies if it remains a member of the Commonwealth, we wish Pakistan-UK ties to remain close and friendly; we therefore avoid any action which might weaken them. Recognizing the special interest of the UK and the Commonwealth in Pakistan and its neighbors, we shall continue to encourage the UK to assume leadership in attempting to devise a settlement in Kashmir. We shall also continue to consult with the UK as to means by which our individual policies and actions towards Pakistan can be better coordinated to achieve our mutual objectives in both the security and economic fields.

Kashmir also affects Pakistan-Afghanistan relations, which remain discordant because of Afghan support for the independence of tribes living in the North West Frontier district to the east of the Durand Line. Afghan Government persistence in vigorous propaganda demanding recognition of some form of independence for these tribes has provoked Pakistan to retaliate by moving troops to the undemarcated border, by engaging in counter-propaganda, and by withdrawing economic privileges long allowed to the Afghans. The Government of Pakistan contends that there is no basis for Afghan interference with these tribes and that the issue will be easily resolved when the Kashmir dispute is settled, as the Afghans can then no longer count on India's support for their claims.

Although this problem has so far not yielded to several efforts to persuade the two countries to hold bilateral discussions, we believe our interests would be seriously prejudiced by their failure to reach an accord on matters involving the control and welfare of the tribes on either side of the Durand Line. In November 1950 we presented to both governments a four-point proposal regarding measures they might take to improve their relations, including informal bilateral conversations without an agenda or pre-conditions. Afghanistan promptly accepted while Pakistan, after considerable hesitation, asked us in March 1951, to transmit to the Afghans a counter-proposal accepting some of our original proposals but suggesting that the two countries might exchange views through diplomatic channels before deciding to hold any other conference concerning their differences.

The exchange of ambassadors between the USSR and Pakistan was completed in March 1950 when the Soviet Ambassador ⁶ established an Embassy in Karachi. Pakistan joined other South Asian countries in recognizing the Chinese Peoples Republic and, although an exchange of ambassadors has not occurred, Pakistan has sent a Chargé d'Affaires ⁷ to Peiping. In March, 1951 a Czechoslovakian Ambassador ⁸ arrived in Karachi. Trade arrangements were renewed this year with Poland and Czechoslovakia; a trade mission from the USSR spent several months in Pakistan late in 1949, without arriving at an agreement; and a Hungarian trade mission arrived in Karachi early in 1951. The USSR last year renewed its June 1949 invitation to the Prime Minister of Pakistan to visit Moscow suggesting August 14, 1950 (Pakistan's Independence Day) as a suitable date; the Prime Minister was unable to accept and it now appears that his Moscow visit is postponed indefinitely. Though these events had aroused some feeling for a greater *rapprochement* between the USSR and Pakistan, this trend was sharply reversed in March 1951 because Pakistan Communists were involved in an abortive plot to overthrow the present government and set up a military dictatorship on the Communist model.

Pakistan's fear that India refuses to recognize the fact of an independent Pakistan and its distrust of India's efforts to assume leadership in South and South East Asia encourage Pakistan to assume a more prominent position among Muslim countries of the Middle East. It has signed treaties of friendship with Egypt, Iran, Iraq and Syria, and sponsored conferences for Muslim countries, i.e., the World Muslim Conference, and the Islamic Economic Conference. Pakistan

⁶ Alexander Georgievich Stetsenko.

⁷ Ahmed Ali.

⁸ The Czechoslovakian diplomatic representative in Pakistan, Ladislav Kilka, actually held the rank of Minister.

strengthened its ties of friendship with Iran in 1950 by entertaining the Shah. Its stature among Muslim countries has grown. In the light of Pakistan's present orientation to the West, and its active cooperation with the countries of Middle East, we should encourage its participation in problems common to the Middle East and its orientation toward Turkey. We should likewise consult more intimately with the Government of Pakistan on questions of common interest in the Middle East.

Admitted to the UN in September 1947, Pakistan has taken a leading role among Muslim states. It has assumed a strong initiative on such matters as Palestine and the disposition of former Italian colonies. It has served on the United Nations Special Committee on the Balkans since that organ was established, and it is also a member of the Council advising the United Nations Commissioner in Libya, the Commission of Inquiry for Eritrea, the Peace Observation Commission (established under the "Uniting for Peace" resolution of the Fifth General Assembly), and the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK). The Prime Minister of Pakistan immediately supported the Security Council Korean Resolutions of June 25 and 27, 1950, and offered 5,000 tons of wheat as a contribution to UN forces in Korea. His action was approved unanimously in October 1950 by the Legislative Assembly. Pakistan helped to develop the UN Arab-Asian peace proposals relating to Communist China, including the proposition that the future of Formosa should be discussed during such negotiations. Pakistan's genuine interest in the UN is further exemplified by its membership in the Economic Commission for Asia and the Far East (ECAFE), the broad range of its participation in the work of the UN specialized agencies, and its recently expressed desire to obtain a seat on the Security Council for the next two years. We shall encourage Pakistan to support the United Nations and endeavor to extend friendly aid so that it may achieve its rightful place in UN organizations.

D. POLICY EVALUATION

The hospitable reception accorded the Prime Minister during his 1950 visit to this country opened a period of more cordial relations between the government and peoples of Pakistan and the US. Nevertheless, the Kashmir dispute continues to be the greatest threat to realizing our objective that stability be maintained in Pakistan and in South Asia. This issue absorbs the major portion of the attention and effort of the Government of Pakistan, and prevents it from moving more rapidly toward domestic political goals (such as the enactment of the constitution, the assimilation of former princely states and of tribal areas, and the development of a national language and a modern educational system). The Kashmir issue, more than any other, is responsible for Pakistan's desire for greater military security. It has

also prevented Pakistan from contributing troops to the UN forces in Korea and from participating in measures to protect the security of the Middle East. This unsolved problem also seriously hampers the Government's ability to meet the economic needs of the nation. It is compelling the Government to spend over half its national budget on its military establishment. It limits the central government's ability to carry forward economic development programs. It hinders public and private investors from coming forward, and makes foreign investors hesitant to enter Pakistan. Accordingly, unless further progress is made toward an acceptable settlement of the Kashmir issue, opposition leaders can continue to make political capital out of this source of public dissatisfaction with the central and provincial governments.

This dissatisfaction provides fruitful soil for Communist doctrines promising a better way of life for the common people. We should not be lulled into neglect by believing that since the ideologies of Islam and Communism contain certain basic differences, there is no Communist threat to Pakistan. We will be in a better position to combat Communism when our own sympathy for Pakistan's welfare finds more concrete expression. Our economic aid has been confined to a modest Point IV bilateral program and our informational activities have thus far reached only a limited variety of social groups.

Another threat to our objectives in Pakistan, less obvious than Communism, is presented by the activities of reactionary groups of landholders and uneducated religious leaders (mullahs) who oppose the present Western-minded government and favor a return to primitive Islamic principles. These groups draw their strength from the religious feeling and resistance to change prevailing among the largely illiterate population. Should their influence become predominant, Pakistan might become a theocratic state with a distinct anti-Western bias. Meanwhile, Islam remains the greatest single unifying force in Pakistan and vitally affects the nation's political life. We should therefore support the earnest efforts of the existing government to develop a democratic constitution and a modern educational system that will contribute to the greater political maturity of the electorate and meet the urgent need for trained manpower.

Our professions of cooperation with Pakistan have exceeded our actual performance and our policies need greater implementation before we can realize our objectives. Furthermore, our earlier concentration on economic assistance to Europe, our strong reaction against aggression in Korea in contrast to our patient attempts to help the parties find a solution in Kashmir, and above all, our persistent neutrality in Indo-Pakistan disputes have led the people of Pakistan to believe that our policies toward them are not only of

minor importance to us but also are overshadowed by our policies toward other countries, particularly India.

Pakistan has vigorously attacked many of its difficult problems and, by South Asian standards, is at present a viable state that can continue to develop independently unless forced into a war for survival. Geographically a part of the Indo-Pakistan subcontinent, it is politically independent with an inherent importance separate and distinct from India. Its continuing struggle with India is hardening the cultural differences which separate the two countries. It recognizes that, under present circumstances, it cannot expect any assistance from India in defending its frontiers. The Muslim character of the population, on the other hand, persuades it to look for new ties with the countries of the Near East. While India may refuse to give open support should aggression against Near East countries occur, Pakistan will seriously consider its capabilities to assist its co-religionists. Its nearness to the Middle East, its control of the two principal passes into the subcontinent, and its present leanings toward the West gives Pakistan a political identity which transcends the historical ties that tend to bind it to India.

McGhee Files : Lot 53D468

The Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Ambassador in Pakistan (Warren)

CONFIDENTIAL

WASHINGTON, August 11, 1951.

OFFICIAL INFORMAL

DEAR AVRA: Many events have taken place since I had the pleasure of seeing you in Karachi. Perhaps some brief comment on the main problems might be worth while. The most important of these continue to be Kashmir, which overshadows all Pakistan-Indian relations, and the Pushtoonistan issue which continues to plague Pakistan's relations with Afghanistan.

We can hope that the time is approaching when it will be possible to offer Pakistan economic assistance. Our program of economic aid under the Mutual Security Program is, at the moment, receiving a better hearing in Congress than was expected and is getting support from leading US newspapers. Your statement for our presentation of the South Asian part of the Mutual Security Program was most timely and of great help when I testified before the Senate and House Committees. As I have implied in a letter¹ to Ghulam Mohammed, of which I enclose a copy, I am hopeful that the Pakistanis will see no objection to our standard administrative provisions for United States aid. I also hope they will feel that their part of the limited total

¹ *Infra.*

aid, if it becomes available, compares favorably with that of other countries in South Asia and that the absolute amount will really be useful to them. Incidentally, I am sure you will agree that our information people should be most careful to continue to treat the program as an Administration proposal, and nothing more, until Congress finally acts.

The recent troop movements in the subcontinent have, of course, been receiving our most urgent attention for the past two weeks. I think Liaquat's reply to our approach was reasonable enough, though it is by no means clear yet that a simultaneous withdrawal of troops can be brought about, as he suggested. We agree that Pakistan will not deliberately reopen hostilities in Kashmir, and that India will probably not deliberately attack Pakistan, but we recognize fully the danger of a communal outbreak or a border incident which might lead to general hostilities.

We are in process of working out a line of action on Kashmir in the Security Council to be followed after Dr. Graham returns. We are pleased that Indonesia has taken an interest in the dispute, and that Australia and Burma have stepped forward, even though unsuccessfully, with their attempts to ease the present tense situation. Of course, we would like to see the troops withdrawn from Indo-Pakistan borders as soon as possible and, in this matter, you may have noticed that we expressed our concern more sharply to the Indians than to the GOP. Still it seems that both India and Pakistan must be made to realize that they cannot hope to carry on a perpetual feud in pre-partition vein. We may well have to use much plainer language to both governments in the future.

We have also noted the declining prestige of the UK in the region, as well as throughout the Middle East. We are by no means ready to abandon our efforts to cooperate with the British, but we may find it more and more expedient to approach the Pakistan Government independently, as we did recently with regard to the troop movements. Please let me have your opinion on this problem.

The spot reporting from Karachi is always helpful and shows what close working relations you have developed with the key officials of the government and with other foreign missions in Karachi. I appreciate your work along these lines. We are doing all we can to improve your personnel and housing situation, with particular reference to the expanding USIE program.

Washington has been unusually hot this year, in more ways than one; I hope you are not being afflicted by the heat in Karachi. With best personal regards, and best wishes to members of your staff, I am,

Sincerely yours,

GEORGE C. MCGHEE

790D.00/8-1151

The Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee) to the Minister of Finance and Economic Affairs of Pakistan (Ghulam Mohammad)

CONFIDENTIAL

WASHINGTON, August 11, 1951.

MY DEAR GHULAM: I have thought of you many times in the last few months, but I have been under such pressure that I have unfortunately postponed writing to you. Since passing along your letter of May 17 to the Ford Foundation, its Chairman, Mr. Hoffman,¹ recently called at the Department to inform Secretary Acheson of his particular interest in formulating a development program for the Near East and South Asia. He is now visiting the area, as you know, and has advised us that he hopes the Foundation will be able to move quickly on several projects which would be in Pakistan's interest. Though the funds of the Foundation are limited, he hopes its assistance can supplement the development undertaken by Pakistan both with its own resources and with the aid that may become available under the United States Mutual Security Program.

With reference to the Mutual Security Program, I have heard of Pakistan's difficulties in replying to our approach regarding the usual ECA provisions for administering United States aid programs. I do hope, however, that any reluctance in this connection can be overcome. We have, as you know, extended aid to many countries on this basis, and I do not believe the record will show that any have suffered. I know of no nation that has really refused to accept aid on this basis. Burma, which, as you know, is a highly sensitive country, is quite happy with its ECA program, and India has indicated acceptance. I realize that you yourself, would not have any fears, and hope you will be able to so convince your government.

You are undoubtedly aware of the attention that is being given in this country to the Kem Amendment² with respect to shipments to Communist countries, and the fact that we have requested an early reply to the question of whether Pakistan can certify, as required by the Amendment. The answer to this question, plus additional information on the impact of such certification upon the Pakistan economy, is necessary for consideration of the whole situation by our National Security Council. Although there have been proposals following upon the President's message to the Congress, to supplant this legislation

¹ Paul Hoffman.

² The Kem Amendment, Section 1302 of P.L. 45, Third Supplemental Appropriation Act of 1951, approved June 2, 1951 (65 Stat. 52), so-named after Senator James P. Kem of Missouri, provided for a ban on economic assistance to countries exporting strategic materials to Communist bloc countries. Further documentation is scheduled for publication in volume I.

with more workable provisions, the Department can only carry forward programs to assist other countries within the framework of the existing law, which is the Kem Amendment. An early reply to the Embassy on this matter would be most helpful.

I know that you, too, look forward to the solution of the Iranian oil problem and your personal support of Mr. Harriman's mission to Iran³ is warmly appreciated. I know, of course, of your great respect for Mr. Harriman, which I can assure you is mutual. You may rest assured that we will continue to exercise our good offices in seeking a peaceful and equitable solution to the Iranian oil question, which will benefit, not only the two principal parties, but also all other free nations. Mr. Harriman is, as you know, remaining in Tehran during the current negotiations.

I recall our interesting discussions, in the past, and in Karachi last March concerning the development of the International Islamic Economic Organization. As you know, we look with favor upon such cooperative efforts and are happy to give such assistance as we can in supplying the Organization with the two experts you mentioned in your letter of March 28, 1951.⁴ I hope you will keep me informed of the Organization's future plans.

Michael⁵ and I both greatly appreciated your excellent photographs. His is hanging in an honored place in his room. He extends his greetings to you. Mrs. McGhee and I want to thank you again for the splendid luncheon you tendered in our honor when we were in Karachi. It was one of the highlights of our entire trip. We both hope to see you before too long here in Washington. With every wish for your continued good health, I remain,

Sincerely yours,

GEORGE C. MCGHEE

³ W. Averell Harriman, Special Envoy of the President, was in Tehran in July and August in an effort to settle the Anglo-Iranian oil controversy; documentation on this question is scheduled for publication in volume v.

⁴ Not printed.

⁵ Michael A. McGhee, son of George C. McGhee.

Editorial Note

In a letter of August 25 to the Secretary of State, the Prime Minister of Pakistan, Liaquat Ali Khan, requested assistance in obtaining from the United States some of Pakistan's requirements for defense equipment. He indicated Pakistan's concern about the world situation and its interest in defense preparedness. The Prime Minister stated that he was designating Mohammad Ikramullah, Secretary of the Ministry of Foreign Affairs and Commonwealth Relations, to place Pakistan's orders for defense equipment in the United States. (790D.56/8-2551)

790D.5/10-1851

*Memorandum of Conversation, by the Assistant Secretary of State
for Near Eastern, South Asian, and African Affairs (McGhee)*

SECRET

[WASHINGTON,] October 18, 1951.

Participants: His Excellency Mr. Ispahani, Ambassador for
Pakistan
Mr. M. Ikramullah, Former Foreign Secretary,
Pakistan
Mr. G. C. McGhee, Assistant Secretary of State
SOA—Mr. T. W. Simons

Action Required: To determine the amount of political support to
give Pakistan's request for military items.

Action Assign to: SOA.

Messrs. Ispahani and Ikramullah called at their request at 2:30 p. m.
Thursday, October 18, 1951.

After expressing my shock at the death of Liaquat Ali Khan,¹ I
inquired as to possible consequences in Pakistan. Mr. Ikramullah re-
marked that it was a severe loss not yet measurable. He stated frankly
that he was not in Washington to talk about Kashmir but to accom-
plish a much more important assignment. He then permitted me to
read a letter from the late Prime Minister to Secretary Acheson,
which he had been asked to deliver and which was an appeal for U.S.
help in obtaining military supplies.²

After I had read the letter, Mr. Ikramullah explained that he was
here to get as much military equipment as he could. He was ready
to receive it as a gift, under a loan arrangement, or by outright pur-
chase. He was prepared to hand over a list of materials wanted and
to enter upon detailed discussions. He had with him military and
financial assistants who were prepared to decide on the spot about
possible procurement.

I explained to Mr. Ikramullah how we had always attempted to
help Pakistan. The US was already heavily committed to supply mili-
tary equipment for several parts of the world, especially for the armies

¹ The Prime Minister was assassinated on October 16 in Rawalpindi, Pakistan. For texts of messages of condolence from President Truman to the Begum Liaquat Ali Khan and to Khwaja Nazimuddin, Governor General of Pakistan, October 16, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951* (Washington, Government Printing Office, 1965), p. 579.

² Reference is presumably to the letter of August 25, not printed, but see the editorial note, *supra*.

in Korea. I asked if the military supplies were needed for internal security. He replied promptly "No!" I remarked that it was difficult for the US authorities to give much consideration to supplying a country which did not have a problem of internal security or was not in need of protection from outside aggression.

Mr. Ikramullah stated that the situation in the N.E. was bad. Part of the cause for this condition arose because the area was neglected by the West. The ill effect of this neglect was spreading. I said that his remarks suggested that his Government was thinking of participating in some form of Middle East defense program. It had seemed that Pakistan would not assist in such defense so long as the Kashmir issue remained unsettled.

He stated that the loss of Liaquat Ali Khan would not lead immediately to a change of policy. The new officers would carry out his policy of moderation. His Government was concerned for its safety and was asking for military supplies which would permit Pakistan to protect itself and also contribute to the stability of the Near East. Pakistan had already used its influence toward moderation in the Near East countries. It was prepared, when in a sound position, to take a greater part in promoting moderation throughout the Near East.

I stated that Pakistan made the mistake of not sending troops to Korea. He replied that faced with a hostile neighbor, Pakistan could not do other than it did; but this was no time to dwell upon mistakes. In the last three years both countries have acted politely to each other. Now Pakistan was taking the initiative and putting forth its requirements. It was also ready to hear what the US wanted of Pakistan.

I said that the US Government was aware of the seriousness of Pakistan's situation. It would receive his request and take a new look to see if it could not be met. When he indicated that he recognized a polite "no" in my manner, Mr. Ispahani assured him that I meant to give new consideration to his request.

Mr. Ikramullah thanked me for my interest and then recalled that immediately after partition Mr. Jinnah,³ then Governor General, had told him that Pakistan would have to fight for Kashmir. When I inquired as to the time the fighting would occur, he reported that Qaid-i-Azam⁴ said, "In three years." He concluded by saying, "The three years are up."

³ Mohamed Ali Jinnah, Governor General of Pakistan, 1947-1948.

⁴ The title Qaid-i Azam ("Great Leader") was commonly used in referring to Mohamed Ali Jinnah.

790D.56/10-1851

*Memorandum of Conversation, by Mr. Thomas W. Simons of the
Office of South Asian Affairs*

SECRET

[WASHINGTON,] October 18, 1951.

Participants: Mr. M. A. H. Ispahani, Ambassador of Pakistan
Mr. M. Ikramullah, Former Foreign Secretary,
Pakistan
SOA—Mr. Donald D. Kennedy ¹
SOA—Mr. T. E. Weil ²
SOA—Mr. T. W. Simons

Messrs. Ispahani and Ikramullah requested this call for 3:30 on Thursday, October 18, 1951, to discuss military supplies for Pakistan.

Mr. Kennedy expressed his deep sympathy for Pakistan's loss of its late Prime Minister, Liaquat Ali Khan. Mr. Ikramullah acknowledged this manifestation and explained his mission to acquire military supplies for Pakistan. He then let Mr. Kennedy read the late Prime Minister's letter to Secretary Acheson.

Mr. Kennedy explained the US position as being encumbered by requests from all the world, urgent needs of the Korean forces, and subject to priority considerations. Mr. Ikramullah stated that he recognized the import of the remarks, had anticipated them and had already booked his passage back to Karachi.

Mr. Kennedy said that we were willing to do all that we could to help Pakistan, and reminded Mr. Ikramullah that we had already obtained assurances that Pakistan would receive 70 tanks. Mr. Kennedy asked what types of military supplies were wanted.

Mr. Ikramullah reported that he was after almost all types of supplies. He then went over a list (see attachments)³ which indicated Pakistan's requirements. He said that he had been trying to get these supplies in Europe. Replying to Mr. Kennedy's question, he stated that he had not obtained much; some from England and very little or nothing from France, Switzerland or Holland. The items from England were either surplus or in stock. New equipment was unobtainable. His greatest difficulty was to get complete units of items that were usable. From the United States he wanted 320 tanks, which included the 70 already on order.

He reported that he was prepared to carry on technical discussions about completing any transaction for armaments. He had a military

¹ Director of the Office of South Asian Affairs.

² T. Elliot Weil, Deputy Director of the Office of South Asian Affairs.

³ Neither printed.

supply officer who could discuss the technical aspects of the equipment and determine at once its practicality for Pakistan. He was prepared also to examine any stocks which the US considered outmoded to ascertain whether it would be useful for Pakistan's army. A financial officer was traveling with him and could arrange for payments. The Prime Minister has assured him that money would be available to make any purchases that were desirable.

Mr. Kennedy inquired if Pakistan officials were thinking of taking part in a Middle East defense program. Mr. Ikramullah said that Pakistan can play a part in such a program. Mr. Kennedy pointed out that it was important not only to learn that Pakistan could participate but that it also would participate. Mr. Ikramullah replied that the US knows what it can do and so does Pakistan. Each country knows what it wants. The time was past for words; Pakistan wanted action. Pakistan was taking the initiative in specifying what it wanted. If the United States wanted Pakistan to make a commitment, he was prepared to have the US request considered by his Government. For the present he was unable to make any commitment. The answer would have to be determined in Karachi.

Mr. Kennedy asked if Pakistan would be able to bear the cost of maintaining the equipment if it was forthcoming. Mr. Ikramullah replied that it was.

Mr. Ikramullah, with a strong show of emotion, went on as follows: you must make up your mind about Pakistan. The Kashmir problem grows worse. There are people in Pakistan who are dissatisfied with the Government's position on Kashmir. Since the establishment of the Embassy of the USSR, Russia has been encouraging dissatisfaction. The unrest in the Middle East is spreading. There is no peace from India to Morocco. If Pakistan does not get assistance from the West, the Government's position will be grave. Pakistan may turn away from the West. It is of the greatest importance to Pakistan that it get these supplies.

Mr. Kennedy asked why Mr. Ikramullah thought the Kashmir problem was growing worse. He stated as follows: The UN is not helping in its mediation. It is only taking one mediatory step after the other. None accomplishes anything. Meanwhile the people are becoming more difficult to restrain. What is the meaning of Liaquat's death? Only this, that others of us will be killed. Pakistan will have to fight.

Mr. Kennedy asked what would happen to Pakistan? Mr. Ikramullah answered "what does it matter." Mr. Kennedy asked "If you don't care, why should anyone else"? Mr. Ikramullah replied that there

would remain a Pakistan but those who had tried to work with the West would be gone.

Mr. Ikramullah concluded by saying that he would be available for any technical discussions that may be required.

790D.13/10-2251

Memorandum by the Secretary of State to the President

SECRET

[WASHINGTON,] October 22, 1951.

Subject: Consequences of the Assassination of Liaquat Ali Khan, Prime Minister of Pakistan.

This analysis of the situation in Pakistan following the assassination of the late Prime Minister Liaquat Ali Khan is submitted for your information.

The Pakistan Government has been able to maintain order in the country during the six days following the assassination of its Prime Minister. There has been no rioting so far as we know, and everything points to a smooth assumption of responsibility by Liaquat Ali's successor.

The appointment of Ghulam Mohammed, former Finance Minister, as Governor General of Pakistan, and the appointment of Khwaja Nazimuddin, former Governor General, as Prime Minister, are—at the moment—reassuring factors. Both are men of moderation and are known to be friendly to the United States and Great Britain. There is no reason to believe they will not endeavor to continue Liaquat Ali's policy of preventing war with India. It remains to be seen, however, whether Nazimuddin will have the strength to resist growing popular pressure to abandon hope of a United Nations settlement and to take direct action in Kashmir which would lead to hostilities with India. Unless the Security Council or Dr. Graham takes action in the very near future which will lead the people of Pakistan to believe that a plebiscite will be held at an early date in Kashmir, the Pakistan Government may feel compelled to jettison the policy of relative moderation which it has pursued to date. In addition, failure by the UN in this matter will likely result in a relatively sharp decline in Pakistan's regard for and support of the United Kingdom and the United States.

Reports indicate that Mr. Nehru¹ and other Indian leaders have been shaken by the assassination of Liaquat Ali. The next few weeks,

¹ Jawaharlal Nehru, Indian Prime Minister and Minister for External Affairs and Commonwealth Relations.

therefore, may afford an unprecedented opportunity for reaching agreement on Kashmir. A determined effort will be made to have another Security Council meeting on Kashmir at the earliest possible date following the arrival of the members in Paris.²

DEAN ACHESON

² In another memorandum to President Truman dated October 24, the Secretary of State called the President's attention to a memorial service in honor of Liaquat Ali Khan to be held in Washington on October 26 and concluded with the following suggestion: "While I realize that there are many demands upon your time, it would be helpful from a foreign policy point of view if you attended this service should you find it convenient. You will recall that the Prime Minister and the Begum Liaquat Ali were your guests when they visited the United States in the spring of 1950. Your attendance at the memorial service would receive very favorable notice in Pakistan and would, therefore, help offset a growing feeling that we are not really interested in Pakistan and its problems." (790D. 13/10-2251)

Secretary's Memoranda : Lot 53D444

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] October 22, 1951.

Participants: The Secretary
Ambassador M. A. H. Ispahani, Pakistan
Mr. M. Ikramullah, Pakistan
Mr. D. Kennedy, SOA

After a friendly greeting Mr. Ikramullah said he had a letter for me from Liaquat Ali Khan¹ which he wished to hand me since he knew that although Liaquat Ali had come to a tragic death, this message still represented the desires of his Government. In fact, Ghulam Mohammed, now Governor General, had participated in the decision to send the letter, and hence Mr. Ikramullah assumed that he was still obligated to the policy set forth. After reading the letter which requested assistance in obtaining vital requirements of Pakistan in defense equipment and stores, I expressed my great personal sorrow over the death of the late Prime Minister.

Mr. Ikramullah said he would like to know what our position was with respect to defense production; he believed I was the one person in the Government best qualified to give him the broad picture. I replied that for reasons I did not entirely understand our production was behind schedule; the targets we had wished to meet in 1952 probably would not be reached in 1953. This caused us great concern and posed difficult problems. In addition, I was subjected to great pressures from many directions. The amount of matériel we had had to consume

¹ Reference is to the letter of August 25, not printed, but see editorial note, p. 2219.

in Korea was very great. This, together with delays in production, had resulted in failure to meet the requirements of NATO countries.

Mr. Ikramullah said he understood our problem but that with the great production facilities we possessed together with the quantity of stores on hand he hoped Pakistan could obtain at least some of its needs. In connection with his request Mr. Ikramullah said he would like to make two points: Pakistan was interested in the defense of the Middle East, and in fact the interest was so natural that the concept would not require "selling" to the Pakistanis; and Pakistan was the only country in that area which had developed on its own a program for improving its own defense capabilities and was attempting to do the maximum in this regard with its own resources.

In closing the conversation, I said that I would give very sympathetic consideration to the Pakistan request, details of which I understood were to be discussed with representatives of the Department of Defense.

790D.56/11-1651

Memorandum of Conversation, by Mr. Lee E. Metcalf of the Office of South Asian Affairs

CONFIDENTIAL

[WASHINGTON,] November 16, 1951.

Participants: Mr. Ikramullah, ex-Foreign Secretary, Pakistan Government
SOA—Mr. Kennedy
SOA—Mr. Metcalf

Mr. Ikramullah called at his request concerning his arms procurement mission. He said that in pursuance of an earlier promise the Pakistan Embassy would submit to the Department, probably on the following Monday (Nov. 19), a list of the matériel which the Pakistan Government wishes to purchase in the United States. He added that the Embassy would appreciate having from the Department reports on availability of individual items as information becomes known rather than holding up the report until data on all items is available.

In answer to a question, he said that the results of his efforts in Canada were "both good and bad." Whereas, for example, it seems that he will be able to get much of his radar equipment there, availability of some other items cannot yet be determined. On the whole, Mr. Ikramullah seemed satisfied with the over-all results of his past three months' work, including that in the United States. He specifically expressed appreciation of the cooperation that the Foreign Liaison Branch of the Department of the Air was accorded Wing Commander Alahdad, who is desirous of learning as much as possible about American jet air craft.

When asked about the attitude of the Pakistan Government toward the defense of the Middle East, Mr. Ikramullah countered by saying that the French and British had also asked him that question and that he did not know his Government's mind in this matter nor did he personally know enough about the question to express an opinion. He asked for all the published material that the Department could give him for background use in his discussions with his Government upon his return to Karachi about November 24.

Mr. Ikramullah pointed out, in a rather discursive conversation that ensued, that it has been his Government's policy (a policy, he added, which he has helped to promote) to refrain from attempting to assume a position of leadership in the Middle East, but to be of service to countries in that area as a counselor or moderator. He implied that Pakistan's membership in the British Commonwealth is one of the considerations militating against Pakistan's close association with, and leadership of, Muslim causes. It is because of that policy, Ikramullah opined, that the present political leadership of Pakistan may not be willing to step into an active and open role in Middle East problems and programs which might preclude it from maintaining its present role vis-à-vis other Muslim countries in that region. Our policy thus far, Mr. Ikramullah summed up, has been to do everything we can, with regard to Middle East politics, "to keep from being called names."

Secretary's Memoranda : Lot 53D444

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] November 17, 1951.

Participants: Sir Zafrullah Khan ¹

Secretary Acheson

Sir Zafrullah asked to see me alone and raised three topics.

1. He reported that Ambassador Ispahani had been active in trying to help Mr. Garner ² of the World Bank make an approach to Mossadeq.³ At this point I told him we were sympathetic with the approach and would try to help it. I thought the Bank should try to work out a more specific plan.

2. He said that he had had several talks with the foreign ministers and prime minister of Egypt. He had urged them to not to press the Arab countries to reject the MEC proposals, but, on the other hand,

¹ Zafrullah Khan, Minister of Foreign Affairs and Commonwealth Relations of Pakistan.

² Robert L. Garner, Vice President of the International Bank for Reconstruction and Development.

³ Mohammad Mossadeq, Iranian Prime Minister.

to permit, if not encourage them, to cooperate in the hope that Egypt later on could come in and perhaps in this way matters could be worked out. He said the Prime Minister was sympathetic with the idea, but he could not see that there were any very concrete results as yet.⁴

3. He said that the Pakistan representative in Washington now on arms matters had been told that the Pakistanis must make up their minds where the country stood in case of trouble. He asked me whether I could say anything helpful to him on this point, not for official purposes but to guide his mind. He then told me about a talk which he had had in New York with Assistant Secretary McGhee.

I said that I presumed that the persons asking these questions had in mind that arms were scarce, that we had many demands upon us, and that we wished to have some idea how useful arms would be to the general cause if sold or transferred to Pakistan. This is what they meant, I supposed by "What would Pakistan do with them?" We knew that Pakistan would say that what it could do was very much affected by its relations with India.

Sir Zafrullah then said that, thinking aloud, and not speaking officially, he believed Pakistan would say to us in this theoretical conversation, that it was inconceivable that Pakistan could ever be on the Soviet side in the event of trouble. The question then arose could it be openly and militarily upon our side in advance of any trouble. If it should do this, it would have to recognize that it became a target of Russian animosity, perhaps regardless of immediate Russian interest in Pakistan. Therefore two questions would arise: To what extent could Pakistan be assured of support if it should be attacked by India? He was quite aware that it could not lack for any support if Pakistan was the source of the trouble. The second question was: What would its relations be with the Western Powers? Here, it was Sir Zafrullah's idea that Pakistan would wish them to be very close and not through some loose arrangements, such as had been proposed to the Middle East states.

I thanked him for these thoughts, which both agreed were merely exchanges of friends.

⁴ For related documentation, see pp. 1650 ff.

Editorial Note

A formal request by the Government of Pakistan for the release of armaments and equipment which it desired to purchase in the United States, based on Mr. Ikramullah's discussions with the Departments of State and Defense, was made in a note of November 20 by the Ambassador of Pakistan to the Acting Secretary of State

(790D.5-MAP/11-2051). The request was approved on November 27 in a memorandum of that date by John H. Ohly, Assistant to the Director for Mutual Security, acting on behalf of the Director for Mutual Security, to Major General George H. Olmsted, U.S.A., Director of the Office of Military Assistance, Office of the Assistant to the Secretary of Defense for International Security Affairs (790D.5-MAP/11-2751). The Pakistani request was amplified in subsequent notes by the Ambassador of Pakistan to the Secretary of State dated November 29 (790D.5-MAP/11-2951), December 3 (790D.5-MSP/12-351), December 6 (790D.5-MSP/12-651), December 13 (790D.5-MSP/12-1351), and December 21 (790D.5-MSP/12-2151). Final action on these sales was still pending at the end of 1951.

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